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FRIDAY, JANUARY 5, 1934



The command is
"FORWARD!"

MIDLAND MUTUAL LIFE representatives have heard the command "Forward" . . . forward to a greater success . . . forward to greater achievement.

Midland Mutual men face the new year with enthusiasm. . . . They are on the march and backing them is a Company which has earned their faith and the faith of its policyholders by twenty-eight years of fair dealing and outstanding performance. . . . A Company which has paid its policyholders a half a million dollars more in dividends than the total of all its death claims. . . . A Company managed by men who regard their duties as a sacred trust.

Midland Mutual representatives go forward equipped with the ammunition that gets business.

. . . Complete Selling Plans, Home Office Correspondence Course, Leader Club, App-A-Week Club, Marathon Club, All Standard Forms of Policies, Special Contracts, Juvenile Policies, Single Premium and Annual Premium Annuities and Investment Contracts.

So here's to 1934 . . . a year that will bring bigger and better opportunities to representatives of The Midland Mutual Life.

THE MIDLAND MUTUAL LIFE INSURANCE CO.
COLUMBUS, OHIO

38

Perhaps never before in the history of the country was the advice and counsel which a well-trained insurance man can offer more needed than today.

In seven of the big national magazines the Metropolitan Life Insurance Company each month sends a message to many millions of Americans—a message of importance to every individual who is willing to listen to a Metropolitan Field-Man's story—giving some of the reasons why his time will be well invested.

To the Field representatives of all companies who sustain the responsibility of making the country as a whole stronger through life insurance, we wish a full measure of increasing success in their all-important work.

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

ONE MADISON AVE., NEW YORK, N. Y.



89-Year Record of Protection to Policyholders

Since it started business in 1845, this Company has paid to policyholders and beneficiaries over \$3,910,000,000. *Over one billion dollars of this amount was in dividends.*

The stability of this strong mutual company has been particularly demonstrated during the past four years of business depression. In every one of these years, income has exceeded disbursements.

Throughout all the years—during every panic, every war and every epidemic down to the present hour—the New York Life Insurance Company has met every obligation to its policyholders and beneficiaries; it is amply prepared to continue to do so throughout the life of every one of its insurance and annuity contracts.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

Publisher
gc.

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 5, 1934

\$3.00 Per Year, 15 Cents a Copy

Prospecting Still Major Problem

Agents Who Are Unsuccessful
Fail to Keep Posted on
Current Trends

VETERANS COMING BACK

Increase in Quarterly Settlements Pre-
sents Complication for Sales-
men with Low Finances

There is one problem in the field this year which dwarfs all others into insignificance, as it has for years—prospecting. Its importance has been estimated by various educators, home office and field men up to 90 percent. It is a function being hammered home in almost every agency today.

In addition to suggestions, exhortations and what not, agency leaders are giving practical prospecting assistance to their men, such as surveys of occupations buying life insurance now, detailed prospecting and time control plans, effective direct mail systems to help in running good prospects to earth. Yet it is the opinion of many agency executives that the large proportion of agents today is deficient in this function.

Short Outs Rarely Succeed

It would seem that the veteran agent who has had his business turned topsyturvy in the last few years, and the new agent who must place himself on a self-supporting basis very soon, would heed the message dinned into their ears in every agency meeting. But many are prone to try short cuts and "royal roads" to success in life insurance sales, most of which prove to be blind alleys.

In the opinion of a large majority of agency and company executives today, there is no substitute for painstaking, laborious, intelligent prospecting. It demands the major portion of the agent's time in the field this year. Given well qualified candidates for policies, the sales can be accomplished in short order. The agents generally, as always in the past, are following the will-o'-the-wisp of frequent call backs in a circumscribed circle of prospects when, as has been demonstrated by the most exhaustive surveys, a prospect who has not signed the application by the second interview scarcely can be termed even a worthwhile suspect.

Cash Now Prime Requisite

The men who are succeeding in the business today are driving themselves day and night to find that fugitive ideal prospect who has the money to pay the premium, needs life insurance and is medically acceptable. No other is worthy of having his name entered on a prospect card today, save for annuities.

It is a matter of making a great num-
(CONTINUED ON LAST PAGE)

Encouraging Annuity Views Expressed by Professor

FEELS LINE NOT OVERDONE

Bowers Says Business Is Growing
Because Heretofore It Has Been
Unduly Neglected

Instead of looking askance at the growing annuity business, it is probably more logical to assume that annuities in this country have been unduly neglected. This was the conclusion of E. L. Bowers of Ohio State University, in a paper presented at the meeting of the American Association of University Teachers of Insurance at Philadelphia.

As late as 1922, Mr. Bowers said, annuity premiums constituted less than one percent of the total premiums in the United States. In the decade ending with 1932, annuity business increased to a point where it accounted for 5.7 percent of the total premium income. Total annuity income in 1932 for 30 of the larger companies amounted to 7.8 percent of the total premium income, of which 27.7 percent was for single premium immediate annuities, 12.8 percent for single premium deferred annuities and 59.5 percent for multiple premium deferred annuities.

Why the Increase

Among the reasons for increased sale of annuities is the effort of people to find a safe investment, and as free from taxes as possible, and because of the growing desire for old age security, which has been accelerated by the depression.

The companies have promoted the sale of annuities for various reasons, among them being a desire to strengthen cash position, to augment agents' declining incomes, maintaining volume of business and of getting their share of a growing line.

Companies are interested in whether premiums are adequate and how annuities will affect cash position in the future.

Within the last several months prac-
(CONTINUED ON LAST PAGE)

Life Men Seek to Keep Out of Negotiations on Code

MAY BE DRAWN IN, HOWEVER

Life Insurance Relies on Paul vs. Virginia Decision to Avoid Becoming
Enmeshed in Federal Machinery

NEW YORK, Jan. 4.—The life companies contemplate taking no action in connection with an NRA code governing fair practices unless they are forced to do so as a result of agitation caused by the filing of such a code in behalf of the National Association of Insurance Agents. That filing has caused great hubbub and consternation in fire and casualty insurance circles since most of those companies are strongly opposed to becoming enmeshed in the federal machinery through the NRA route.

NRA Wants Insurance Code

However, the understanding is that the NRA authorities want an insurance code. They have not been more aggressive in seeking to have such a code filed because of the underlying NRA principle that the industry itself should come forward with a code, since the men in the industry know best the evils that exist and are most competent to draft a reform program. Now that the fire and casualty agents have filed a code, the feeling exists that the entire insurance business will be drawn in. It is not likely that the NRA people will approach insurance in a partial aspect but will seek to have comprehensive regulations for the business.

Keep Quiet as Possible

The life companies are relying on the 75 year old Paul vs. Virginia decision, in which the supreme court held that insurance was not interstate commerce. The life companies are not troubled by controversial agency questions, as are the fire and casualty companies. Until forced to say or do something, the life companies appear to be keeping as quiet as possible.

Life Insurance and a New Gold Basis

Linton Sees Benefits If Country
Has Confidence in New
Currency

ADDRESSES PROFESSORS

Emphasizes the Necessity of Healthy
Increase in Prices With Currency
Manipulation

The chances are excellent that increased business activity and a healthy rise in prices will follow achievement of a currency upon a new gold basis in which the country has confidence, according to President M. A. Linton of the Provident Mutual Life, who addressed the meeting of the American Association of University Teachers of Insurance at Philadelphia.

The income of policyholders, Mr. Linton pointed out, would be increased and they would find it easier to pay premiums on outstanding insurance or to take new insurance to replace the coverage they were compelled to let go. Default in interest and principal payments on bonds and mortgages held by the companies would be cleared up. Real estate acquired under foreclosure would become salable and the money thus tied up would again begin to produce a fair return.

Mortality Improvement

In the realm of mortality, he continued, there is reasonable hope that the relatively large losses from suicide and heart trouble would subside as the financial pressure upon policyholders lessened.

These various factors would be reflected in the net cost paid by the policyholders for their insurance.

On the other hand, he pointed out, a rise in the general level of prices would proportionately reduce the purchasing power of the dollar represented by insurance policies. However, most of this vast sum of outstanding insurance was acquired with dollars having a purchasing power considerably lower than that of the present dollar. A reasonable increase of the price level based upon sound recovery could not be considered as working an injustice. Rather it might be looked upon as correcting a situation in which the beneficiaries of insurance policies have been receiving payment in dollars of abnormally high purchasing power.

Emphasis on Healthy Increase

These benefits would come, he said, only with a healthy increase in prices. An unhealthy increase brought about by currency manipulation would be exceedingly dangerous. That is, people might lose faith in the currency and a flight from the dollar might occur. Government credit would become under-
(CONTINUED ON LAST PAGE)

Preliminary Reports for 1933

	New Paid Business	Change in Ins. in Force
	1933	1933
Abraham Lincoln Life.....	\$ 2,800,000	\$ 5,029,677
American Union Life, Okla.....	1,665,190	817,872
Confederation Life, Can.....	34,850,540	39,807,689
Continental Assurance, Ill.....	28,749,773	46,303,545
Continental Reserve Mutual, Tex.	500,000	500,000
Country Life.....	12,000,000	9,468,259
Federal Life.....	7,874,379	10,424,359
General Mutual.....	365,450	750,006
George Washington Life.....	2,250,000	2,918,967
Girard Life.....	2,100,000	2,832,392
Guaranty Life, Ia.....	8,767,198	5,301,565
Guaranteed Securities, Kans.....	1,102,049	901,776
Illinois Bankers Life.....	6,300,000	5,867,795
Lamar Life.....	9,412,581	7,937,498
Liberty National Life.....	14,971,700	13,710,745
Modern Life, Minn.....	684,900	825,096
National Guardian Life.....	2,935,881	3,220,109
National Life & Accident.....	39,065,377	30,436,889
Ohio National Life.....	12,196,842	8,938,787
Penn Mutual Life.....	138,697,645	160,950,302
Pure Protection Life.....	1,718,000	3,495,700
Reliance Life, Pa.....	31,146,460	39,968,761
Southwestern Life, Tex.....	41,608,247	37,466,974
Union Central Life.....	81,408,733	111,724,195
United Benefit Life.....	22,038,813	36,249,558
Washington National.....	4,206,360	2,295,585

†Ordinary only.
‡Includes industrial.

*Bankers Reserve reinsurance not included.

Sees Need for Large Companies, U. S., To Aid Weak Sisters

By R. B. MITCHELL

The time has come when, for the sake of the institution of life insurance, the large companies should come to the aid of the weaker companies that are in trouble, likewise the federal government should help in releasing frozen deposits in companies in financial difficulties, S. H. Nerlove, University of Chicago, declared at the second annual meeting of the American Association of University Teachers of Insurance held in Philadelphia. Lack of such aid is most acutely felt by holders of investment-type policies.

Calling attention to the discrimination in favor of the premium paying policyholder that exists in most reinsurance contracts, Dr. Nerlove said:

Well Defined Precedents Are Found Extremely Few

"Once a life company is placed in the hands of a receiver the problems are exceedingly difficult and the well defined precedents extremely few. The receiver must not only conserve assets but also keep the policyholders together so that he can get a satisfactory reinsurance contract. In carrying out these activities he finds that he has to discriminate against non-premium paying policyholders in favor of premium paying policyholders, and by so doing, policyholders who have invested the least, the holders of term insurance and ordinary life policies, are treated better than those who are holders of 20-pay life and 20-year endowments. It is obvious that the implications of these acts to policyholders in general are of great significance.

"The character of recent reinsurance contracts also substantiates this conclusion. The way in which liens, death loss claims, supplementary contracts, annuity

claims and disability claims are taken care of by recent reinsurance contracts entered into by receivers indicates clearly that the courts and insurance commissioners give much more weight to the death protection element in life policies than they do to the investment feature. Unfortunately from the point of view of the policyholders of defunct companies, neither the large life insurance companies nor the federal government have stepped in to give them aid."

Why Control of Receiver Is Sometimes Necessary

Because life companies are self-rehabilitating financial units of great resilience rather than merely ordinary investment and trust organizations, perhaps some of the life companies that were declared insolvent could have overcome their financial inability to meet all their obligations if they had been let alone, Dr. Nerlove said. On the other hand, he pointed out that many had been so badly mismanaged that it was obvious that control by a receiver was the only recourse left in order (1) to protect all creditors from the pilfering of a small group of creditors (including stockholders) in control of the company in question; (2) to prevent innocent potential buyers of life insurance services from buying policies from a company that would be unable to meet its obligations and (3) to protect what little equity was left for reinsuring the business of the company involved.

Every effort should be made to get uniform legislation in all states permitting companies to incorporate in their policies a provision permitting them to defer payment of cash or loan values for six months and requiring a provision permitting at least 90 days' delay, Vice-

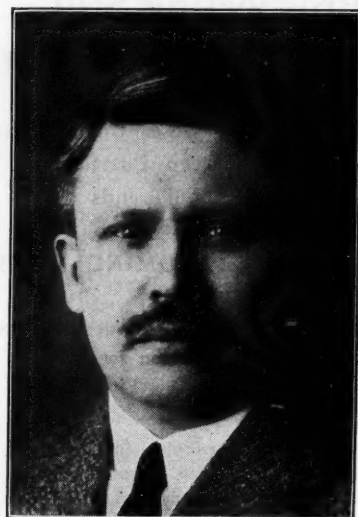
President John M. Laird of the Connecticut General Life said.

The 90-day provision, permitted by all states and required by at least three since long before the depression, has been incorporated in many contracts for more than 20 years, he pointed out, but has never been exercised except in so far as it supported the emergency rulings of the commissioners during the moratorium this year. Many states specifically permit six months but cannot get the full benefit of this provision because others limit the period to 90 days. Mr. Laird predicted that this contractual right to defer certain payments would not be invoked in this generation but that in some future crisis it may act as an emergency brake against sudden and unreasonable demands for cash, which if unrestrained might force the company to sacrifice good assets in a poor market.

The present bull market in annuities is not solely a reaction to the depression, but is rather the continuation of a trend that was well under way several years before the 1929 crash, according to E. L. Bowers, Ohio State University. Because this interest may be expected to continue even after prosperity returns the companies should develop this market. The annuity field has been comparatively neglected, he said, and warned that if the life companies become hesitant about accepting annuities and single premium life policies there is danger that the state may go into the business.

Prof. H. J. Loman, University of Pennsylvania, presented an analysis of the asset distribution of four failed life companies, showing how their investment policies had varied, even before the depression, from the average of the companies in the Life Presidents Association. Each of the four carried a con-

Reelected as Head of Insurance Teachers' Body



DR. S. S. HUEBNER

siderably smaller percentage of its assets in cash than the association average.

Others whose addresses are reported elsewhere in this issue or appeared in last week's NATIONAL UNDERWRITER include President M. A. Linton of the Provident Mutual Life; Prof. Robert Riegel, University of Buffalo; Prof. F. G. Dickinson, University of Illinois. The address of Prof. C. A. Kulp, University of Pennsylvania, on unemployment insurance, and that of Prof. A. H. Mowbray, University of California, which was read in his absence by Prof. David McCahan of the University of Pennsylvania, are reported in the casualty edition this week.

Dr. Huebner Is Reelected President of Association

Dr. S. S. Huebner conducted the morning and afternoon sessions. At the luncheon meeting, conducted by Prof. R. H. Blanchard, Columbia, Dr. Huebner was presented an electric clock and barometer set in appreciation of his work for the association.

The following officers were reelected: President, Prof. S. S. Huebner, University of Pennsylvania; vice-president, Prof. R. H. Blanchard, Columbia university; secretary-treasurer, Prof. F. G. Dickinson, University of Illinois; executive committee members: Prof. A. H. Mowbray, University of California; Prof. S. H. Nerlove, University of Chicago. Prof. Robert Riegel, University of Buffalo, was elected to the executive committee, succeeding Dr. C. L. Parry, Metropolitan Life.

The association now has 61 members representing 31 universities and colleges. It was formed last year at Cincinnati at the annual meeting of the American Association of University Teachers, after having existed informally for some time as a round table group in the larger association.

It is planned to broaden the association's activities still further to take in insurance teachers and scholars in other countries who are interested in the association's aims.

The convention voted to hold the next meeting in Chicago at this time next year. Some 200 attended this year's meeting.

Analyzes Reasons for Life Company Failures

H. J. Loman, professor of insurance of the Wharton School of Finance & Commerce at the University of Pennsylvania, in addressing the meeting of the American Association of University Teachers of Insurance at Philadelphia, presented an analysis of the structure of four life companies which failed in 1933. He did this in an attempt to discover in what direction weaknesses lay. He pointed out that the average company has been able to meet the situation during the past few years. His conclusion was that there is not so much need for change in the general investment policy toward greater liquidity but rather toward condemnation of the management of those companies that dared to deviate so much from the average, especially when their surrender value and policy loan demands were greater in normal times than the average company.

Discussion Arises Over Investment Liquidity

"The failures of life insurance companies during the last two years have led to much discussion centering around the need for greater liquidity in their investments," Mr. Loman said. "Such a change means higher ratios of cash and government securities to total assets. This will result in a lowered yield on invested funds and in turn a higher average cost of insurance to the policyholder. Those who support this view claim that the end justifies the means because life insurance constitutes one of the principal ways of saving for the average citizen and since it has been sold to him for the purpose of meeting emergencies, the cash value of his policies should be readily available when-

ever he needs financial assistance. In other words, cash value and loan privileges constitute a right which the companies should be prepared to meet at any time without suffering financial embarrassment. The most extreme position assumes that all the policyholders should be able to get their cash any time they want it. This is so impractical that it deserves little comment. Cash and government securities are the only forms in which the assets could be carried to meet this situation.

What Life Companies Have Contributed Shown

"Those who believe in this greater liquidity apparently are not satisfied that life insurance companies have contributed as they should to the solution of the financial problems of the current depression. Let us see if this is true of life insurance in general or whether the conclusions have been based upon untypical cases. Some indication of this may be obtained by a brief review of the disbursements of life insurance companies during the depression period. In the last four years they have paid policyholders \$7,357,000,000 and beneficiaries \$3,684,000,000 making a total distribution of \$11,041,000,000. These figures should be sufficiently reassuring to convince even the most skeptical. However, they are of small comfort to one who has suffered on account of an insurance company receivership. It is urged that the same lack of liquidity which wrecked these companies can ruin any of them. If the failed companies are typical of those which survived then it is reasonable to assume that the ill-fortune which befell them was a mere mat-

ter of chance and the lurking danger of illiquidity is apt to ruin any of them. In an effort to ascertain the truth of this statement, I have made a study of the four outstanding failures of 1933 which in the aggregate involve over 90 percent of the combined assets of all the companies which failed this year."

Assets of Failed Companies and Life Presidents Group

Below is presented the analysis, showing the percentage of policy loans, stocks and bonds, mortgage loans and real estate of the four failed companies and of each of the years 1927-32 inclusive, together with the average of company members of the Association of Life Insurance Presidents:

Policy Loans						
	1927	1929	1930	1931	1932	
Co. "A".....	16.33	16.33	17.89	21.19	25.57	%
Co. "B".....	21.05	22.45	24.75	27.71	30.59	%
Co. "C".....	18.40	19.36	21.38	23.79	26.61	%
Co. "D".....	18.59	18.50	20.10	22.45	25.25	%
Assn. Cos.....	12.1	12.3	14.6	16.4	18.4	%
Stocks and Bonds						
Co. "A".....	27.73	31.39	32.23	29.72	23.84	%
Co. "B".....	14.98	26.19	27.15	25.21	24.29	%
Co. "C".....	5.78	9	11.27	16.72	15.69	%
Co. "D".....	6.95	15.28	16.96	14.86	12.73	%
Assn. Cos.....	37.8	37.2	37.5	37.5	36.8	%
Mortgage Loans						
Co. "A".....	40.92	34.85	31.01	29.15	27.46	%
Co. "B".....	45.55	30.45	27.98	25.69	23.40	%
Co. "C".....	49.42	42.69	39.11	35.48	31.98	%
Co. "D".....	48.84	37.06	37.21	36.99	35.74	%
Assn. Cos.....	43.1	42	40.5	38.4	36.3	%
Real Estate						
Co. "A".....	8.87	12.62	14.22	14.70	17.74	%
Co. "B".....	6.14	12.74	12.81	14.30	15.71	%
Co. "C".....	11.72	10.46	11.36	18.25	20.50	%
Co. "D".....	18.58	21.55	19.33	18.58	19.41	%
Assn. Cos.....	1.9	2.4	2.8	2.8	4.0	%

Committee Appointments of Agents' Association Given

H. J. JOHNSON PROGRAM HEAD

Pittsburgh General Agent of Penn Mutual Will Be in Charge of Card for 1934 Convention

NEW YORK, Jan. 4.—The new committee lineup of the National Association of Life Underwriters has been announced from headquarters. The chairmen of the various committees presented herewith:

Budget and finance, R. L. Jones, State Mutual, New York; by-laws, E. F. Colborn, Connecticut Mutual, Rochester; convention program, H. J. Johnson, Penn Mutual, Pittsburgh; educational, L. P. Good, Prudential, San Diego; international council, A. A. Heald, Provident Mutual, Milwaukee; membership, T. M. Riehle, Equitable Life, New York; publications, J. E. Bragg, Guardian Life, New York; senior council, P. F. Clark, John Hancock, Boston; cooperation with trust officers, F. W. Ganse, John Hancock, Boston; cooperation with U. S. Chamber of Commerce, A. L. Baldwin, Northwestern Mutual, Washington, D. C.; national councillor to Chamber of Commerce United States, J. K. Voshell, Metropolitan, Baltimore; relations with lawyers, G. E. Lackey, Massachusetts Mutual, Detroit; resolutions, E. B. Thurman, New England Mutual, Chicago; women underwriters, Mrs. O. J. Wright, Massachusetts Mutual, Cleveland.

Chairman of the committee to consider the revision of chart of ethics is M. H. Stearns, John Hancock, Providence; department of the American family, A. E. Patterson, Penn Mutual, Chicago; new associations, O. S. Cummings, Kansas City Life, Dallas; life insurance week, H. C. Lawrence, Lincoln National, Newark.

New Rates for Annuities

Pacific Mutual Life Has Announced Changes in Some of Its More Important Forms

The Pacific Mutual Life has issued new premium rates covering life, cash refund and joint and survivor annuities. The retirement income fund has been changed, both as to rates and contract terms. It will contain cash loan and death benefits beginning with the first policy year and will be issued on either of the following plans:

(a) Income unit basis, whereunder the maturity income-unit is always \$10 a month (issued in multiples of \$5) and whereunder the premium varies for every age at issue, maturity age selected and sex.

(b) Premium unit basis, whereunder the annual premium-unit is \$100 (issued in multiples of \$25) irrespective of the age at issue, maturity age selected and sex. The amount of income on this basis varies according to any one of these three factors.

The exact premium selected and the maturity income purchased thereby will be entered on the front page of the contract but the cash and loan values and death benefits are printed in the non-forfeiture table on the basis of an annual premium of \$100 and apply pro rata to each individual policy. The foregoing holds true irrespective of whether the policy is written on the income unit or premium unit basis.

The retirement annuity will be issued also on the single premium plan. The applicant may select the income unit basis (\$10 a month) or the premium unit basis (single premium \$1,000). The retirement annuity will be issued on the participating basis only.

Mutual Trust Men Honored



JOHN H. EHN

Two general agents of the Mutual Trust Life, one of whom has served the company 25 years and the other 20 years, were honored at a banquet in Chicago Thursday evening, all principal general agents of the company participating.

John H. Ehn, general agent at Hartford, Conn., was presented with a 25 year service button and O. I. Hertsgaard of Minneapolis with a 20 year button.

Mr. Ehn started with the Mutual Trust from scratch 25 years ago at Hartford without life insurance experience, without an office or without equipment, except a rate book. His agency now has about \$24,000,000 of in-



O. I. HERTSGAARD

surance in force and collects more than three-quarters of a million dollars in premiums per year.

Mr. Hertsgaard resigned a professorship at Moorehead college in 1913 and joined the Mutual Trust as general agent in Fergus Falls, Minn. He was later transferred to Minneapolis as general agent, where he is still located. He is immediate past president of the Minneapolis Life Underwriters Association.

President E. A. Olson, who made the presentations, stated there has not been a single break in the Mutual Trust's circle of general agents during the four years of depression. "Few die," he said "and none resign."

Twice Wanted to Shoot

Twenty-Payment Life policyholder—two \$2,500 contracts. Premiums just completed. General Agent calls to congratulate, and to suggest new insurance, dividends to carry. Policyholder says twice wanted to shoot original Agent. First time, when Agent delivering one of the \$2,500's, pulled a second from his pocket, and extracted check for first premium on the two,—after hour's reflection, policyholder, madder and madder, wanted to shoot.

Years later policyholder wanted cash to buy a house. Couldn't find it. Thought of his policies. Found, to his delight, a policy loan would yield half. Second time wanted to shoot aforesaid Agent, for not having forced \$10,000 instead of only two \$2,500's. And stated that at still later date another policy loan saved his business.

Thus life insurance serves living owners, as well as beneficiaries of those who pass on. Name, if you can, any other financial device that can duplicate this service!

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

Percy Evans Sees Advance in Costs for Long Period

VIEW IN EASTERN MEETING

Northwestern Mutual Life Agencies Hold Annual Conference in New York City

NEW YORK, Jan. 4.—Largely due to the banking functions of life companies, insurance costs may be expected to continue to increase during the next 15 to 20 years, Vice-president and Actuary Percy H. Evans of the Northwestern Mutual told members of the company's eastern agencies at their annual conference here.

"I believe that the companies should perform these functions, which the ordinary man cannot obtain so advantageously elsewhere, he said, "but we must recognize that the performance of these services is going to cost something, because of the increased liquidity they necessitate.

Emphasis on Emotions

"For this reason we should concentrate on the fundamental emotional reasons why men buy life insurance and not worry too much about net costs or finding the perfect investment in life insurance. We should get the main tent and the sideshow properly balanced—that is, life insurance as a most remarkable investment coupled with the most absolutely essential public service."

More than 600 persons attended the two-day sessions, while nearly 1,000 attended the banquet Wednesday evening.

Vice-president Edmund Fitzgerald, speaking at the banquet counseled a long-term view of conditions. People generally are prone to think that everything hinges on this or that immediately imminent question, he said, and this attitude on the part of prospects spoils many sales.

The potential insurance buyer worries today about the federal government's recovery policy, perhaps, and this attitude of mind never lacks for some such point which must be settled before any action can be taken on buying insurance. If the depression has proved anything, he said, it has shown that human beings can "take it," and that there is no reason to fear that everything is going to the dogs because of radical legislation.

Expects Greater Production

The year just beginning should be a year of increased production for every life underwriter who is willing to pay the price in effort and industry. Director of Agencies Grant L. Hill declared at the morning session. He said the company in attuning its methods to the times was at the same time adhering to the principles that have placed it in its present enviable position. Mr. Hill spoke Thursday. C. L. McMillen, general agent here, paid fine tribute to Mr. Hill's character and ability in introducing him.

Speaking at the afternoon meeting, Dr. S. S. Huebner, nationally known life insurance educator, analyzed the death and investment sides of life insurance, pointing out that life insurance is in effect a last will and testament whereby a man leaves to his heirs the monetary value of this life.

J. M. Holcombe, manager Sales Research Bureau, Hartford, called attention to the unbusinesslike methods of most insurance agents, judged by the standards of the average business man. Without naming the men, he analyzed the records of seven Northwestern Mutual agents, pointing out their businesslike and unbusinesslike qualities. He showed how agents can make themselves more effective by using business methods in their prospecting, time control, sales talks, and every department of their work.

Buckner Sanguine As to Outlook for Insurance in 1934

Reviewing the 1933 record of life insurance, T. A. Buckner, president New York Life, declared "the past year has tested and proved the stability of sound, legal reserve life companies. They remained a safe haven of protection during the financial panic which led up to the bank holiday and suspension of gold payments. Although some states placed temporary restrictions on policy loans, it is generally agreed that such measures reflected the stress on the national financial structure rather than weakness on the part of the institution of legal reserve life insurance. Interest, rents, and premium income were well-maintained; testifying to the conservative character of life company investments as well as to the unimpaired and fully justified confidence of many millions of policyholders."

Speaking for his own company, Mr. Buckner said: "Our assets are larger at the end of 1933 than on any previous year-end in our history. As a matter of fact, income has exceeded disburse-

ments during every year of the depression."

"The encouraging record of legal reserve life insurance," Mr. Buckner added, "quite naturally leads one to expect a substantial increase in life insurance sales once recovery really gets well under way. I look forward to 1934 with confidence."

Several Appointments Made

Continental Assurance Names Oklahoma Manager, Three General Agents in Illinois

Several appointments are announced by the Continental Assurance of Chicago. O. J. Blackenstoe of Oklahoma City is named Oklahoma state manager. He formerly for 20 years was manager in that state for the Missouri State Life, building up a business of \$71,000,000 in force.

P. H. Huffstetler, former district manager of the Peoria Life in Springfield, Ill., territory, has been appointed by the Continental as general agent covering the same region.

D. C. Siegrist becomes general agent in Bloomington, Ill. He formerly was district manager for the Peoria Life in

that territory, and also a large personal producer, paying for at least \$250,000 a year for five out of the last seven years.

Frank Strode becomes general agent in Kewanee, Ill., territory. In the past he was district manager there for the Peoria Life.

Prudential Is to Continue Its Dividend Scale in 1934

NEW YORK, Jan. 4.—The Prudential announces that it will continue its 1933 dividend scale for 1934. About \$79,000,000 has been set aside for 1934 dividends, of which \$26,000,000 is for ordinary and intermediate policies and \$53,000,000 for industrial policies.

More Loan Restrictions Off

Superintendent O'Malley, Missouri, rescinded emergency restrictions on policy loan and cash surrenders, effective Jan. 1. Indiana also withdrew its emergency restrictions Jan. 1, while Texas' emergency insurance law expired by its own terms Dec. 31. Latest information is that Illinois, Iowa, Kansas, Michigan, North Dakota and West Virginia are now the only states still retaining emergency restrictions of any character on cash surrenders and policy loans.

Dunham Warns of "Cheap" Mail Order Insurance Plans

MANY OF DUBIOUS CHARACTER

Connecticut Commissioner Points Out
Danger in Dealing with Unlicensed Carriers

HARTFORD, Jan. 4.—In a statement pointing out the dangers of buying "cheap" insurance from unlicensed companies, Commissioner Dunham of Connecticut tells of the receipt by a Hartford company executive of an attractive circular offering an "accident policy for less than a cent a day, or \$3.50 a year."

Although the recipient has been in the insurance field for many years, he was impressed with the offer and tempted to buy this Missouri company's policy, but decided before doing so to communicate with the Connecticut department, requesting information concerning the status of the company. Investigation revealed that the company is not licensed in Connecticut; it is not listed in any of the standard insurance publications, and the 1933 report of the Missouri department showed that although it claims to have "policyholders from coast to coast," its capital is only \$25,000 and its surplus \$8,235. The attractive circular did not state, moreover, that the policyholder may be subject to assessment at any time, although he pays in advance the premium stipulated in the contract.

Another company recently sent an advertisement to the Hartford "Times" offering a "life protection policy for only \$1, which pays \$1,000 for death from any cause." Commissioner Dunham said investigation by his department revealed that the would-be advertiser is not licensed to operate in Connecticut, and that its total admitted assets are \$232.26 as against total unpaid claims of \$21,319.73. Not only was the company unsound, but the advertisement, which the newspaper rejected, was grossly untrue because the \$1 premium is payable every time a member dies, and in addition the policyholder is required to pay an initiation of \$10 and a fee of \$3 or \$4 in dues for quarterly expenses. The annual charge is thus higher than the average term rate charged by the standard life companies.

Provincial Superintendents Adopt U. S. Valuation Basis

The committee on valuation of securities of the Association of Superintendents of Insurance of the Provinces of Canada has adopted, without change, the resolution of the National Convention of Insurance Commissioners. The action of the provincial superintendents differs from the action taken recently by Superintendent Finlayson of Canada. Some of the companies in the Dominion are responsible to the Canadian department, but most operate under the provincial authorities.

The provincial superintendents' committee consisted of B. Arthur Dugas, Quebec, and R. Leighton Foster, Ontario.

These men attended the meeting of the National Convention of Insurance Commissioners, at which the valuation question was decided. They expressed the belief that the basis of valuation approved by the commissioners in the country is sound and that, because of the international character of the insurance business, so far as Canada and the United States are concerned, it is in the best interests of the business and the public that the Canadian provinces adopt the same basis of valuation as that adopted by the commissioners of the United States.

About Jan. 15, the Canadian superintendents will forward the security valuation book.

"MUTUAL insurance in relation to the older lines of insurance has been an unquestioned success. Most of the large stock life insurance companies . . . have reorganized and become Mutual Companies. Fire (and casualty) insurance on the mutual plan has also proven sound, and a great number of companies writing fire (and casualty) insurance on this plan have been admitted to transact business in this state."

—Excerpt from statement by the Hon. James A. Beha, former Commissioner of Insurance, State of New York.

It has always been the primary aim of the Lumbermens Mutual Casualty Company to furnish good reliable insurance protection. To this end full legal reserves as required by the various state insurance departments have been consistently maintained. Assets of the company exceed \$16,000,000, including over \$2,300,000 net surplus (based on actual market values of securities).

As a mutual organization the "L-M-C" has sought to make sound protection available at minimum cost. Through economical management, careful underwriting and accident loss prevention effort this company has succeeded in effecting measurable reductions in the cost of casualty insurance to its policyholders—last year this saving amounted to \$2,726,144.

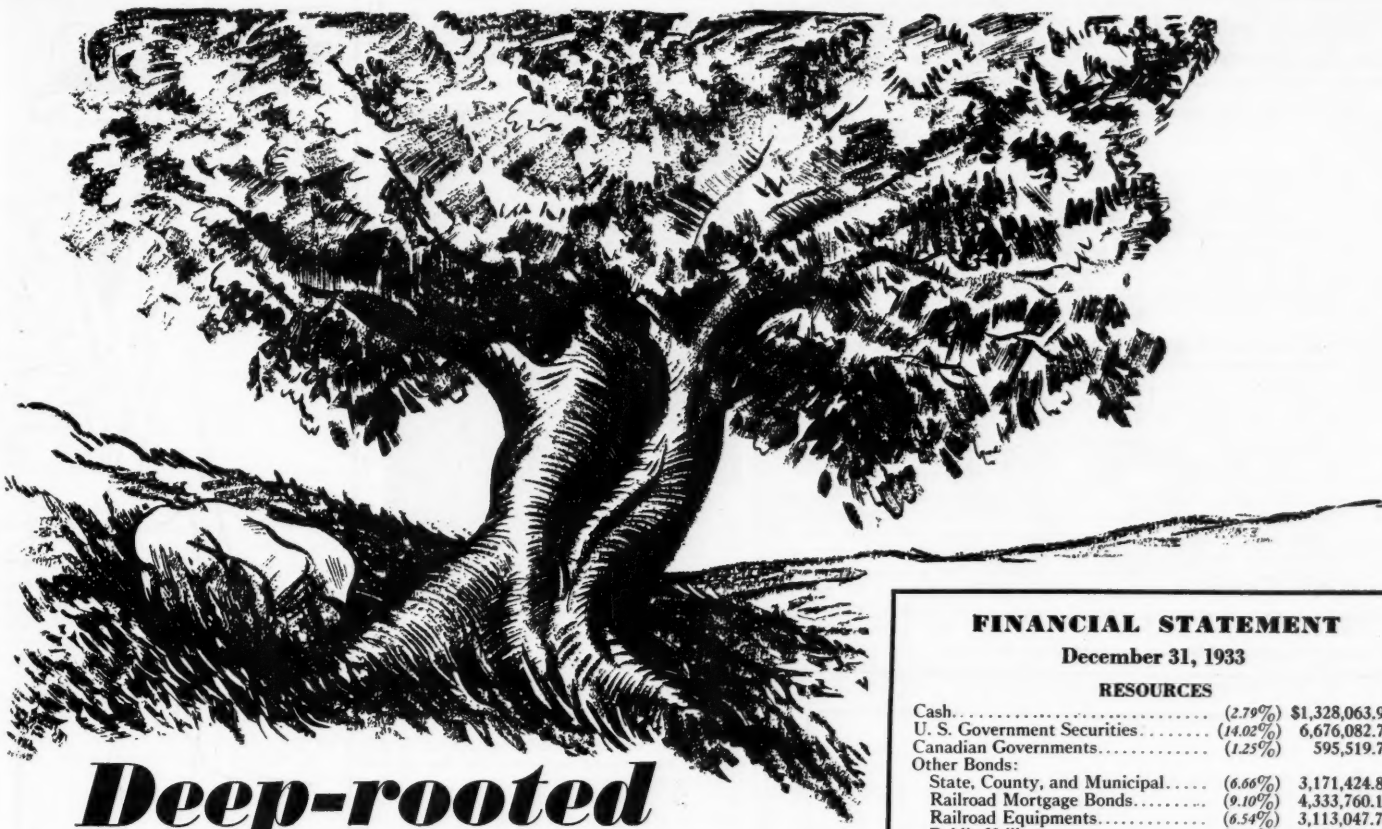
LUMBERMENS MUTUAL CASUALTY COMPANY

James S. Kemper, President

MUTUAL INSURANCE BUILDING

CHICAGO, U. S. A.

Represented by Leading Agents Throughout the Country.



Deep-rooted STABILITY

STORMY years have passed—but the tree stands firm, because its roots go deep.

N*NL calls attention to certain factors which like the deep roots of the oak have contributed to its remarkable stability and growth:

LIQUIDITY—N*NL today has three times as much Cash and U. S. Government bonds as it had at the close of 1929. This factor of liquidity has increased steadily throughout the depression until now 16.8 per cent of the Company's assets are in Cash and Government Bonds, as compared with 5.9 per cent, the average of all companies. This improvement in liquidity, in the face of unprecedented demands for cash, has been accomplished through the regular and normal operation of the Company's business.

DIVERSIFICATION—Aside from U. S. Government bonds, N*NL's largest single investment is in its Home Office building, which represents but 1.2 per cent of its total assets. More than 2,300 separate items, ranging from \$1,000 up, appear in its investment portfolio.

QUALITY OF INVESTMENTS—Careful research guides the choice of

each investment, and constant study of investment trends makes possible the proper disposal of any security whose desirability may be questioned in the light of existing or anticipated conditions. N*NL's assets, as always, represent sound values.

N*NL continues to follow the sound practice of valuing all its bonds in good standing on the amortized basis. The values of the few bonds on which interest is overdue or which are otherwise temporarily in default are adjusted to their actual market value as of December 31, 1933 through an appropriate contingency reserve.

QUALITY OF MANAGEMENT—The same care and discretion which characterize N*NL's investment policy pertain to the operation of all its departments, with the result that the Company is nationally recognized as one of the strongest and most progressive companies in the United States. This enviable position is not a matter of chance, but rather is due to the capable, conservative, and well-balanced management which has consistently administered the Company in the interest of its policyholders.

N*NL invites close scrutiny of its 49th Annual Financial Statement.

DIRECTORS

F. A. CHAMBERLAIN
Chairman Executive Committee
First National Bank and Trust
Company.

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President Northwestern National
Bank and Trust Company

T. F. WALLACE
President Farmers & Mechanics
Savings Bank

E. W. DECKER
Chairman of Board Northwest-
ern National Bank and Trust
Company.

E. L. CARPENTER
Chairman of Board, Shevlin,
Carpenter & Clarke Company

FRANK T. HEFFELFINGER
President F. H. Peavey & Co.

C. T. JAFFRAY
President "Soo" Railway

A. F. PILLSBURY
Treasurer Pillsbury Flour Mills
Company

O. J. ARNOLD
President Northwestern National
Life Insurance Company

FINANCIAL STATEMENT

December 31, 1933

RESOURCES

Cash.....	(2.79%)	\$1,328,063.96
U. S. Government Securities.....	(14.02%)	6,676,082.78
Canadian Governments.....	(1.25%)	595,519.73
Other Bonds:		
State, County, and Municipal.....	(6.66%)	3,171,424.81
Railroad Mortgage Bonds.....	(9.10%)	4,333,760.18
Railroad Equipments.....	(6.54%)	3,113,047.70
Public Utility.....	(4.78%)	2,275,120.04
Industrial.....	(1.14%)	541,753.36
Miscellaneous.....	(.81%)	386,590.22
First Mortgage Loans:		
Farm Loans.....	(8.59%)	4,087,944.14
City Loans.....	(10.75%)	5,117,707.31
Policy Loans.....	(21.05%)	10,020,195.54
Real Estate (Incl. Home Office Bldg.).....	(5.60%)	2,668,654.98
Real Estate Sold Under Contract.....	(.38%)	178,691.45
Premiums, Due and Deferred.....	(4.71%)	2,243,582.00
Interest Due and Accrued and Other Assets.....	(1.83%)	873,543.22
TOTAL.....	(100%)	\$47,611,681.42

LIABILITIES

Reserve on Policies.....	\$37,221,304.00
Death Claims Due and Unpaid.....	None
Claims Reported but Proofs not Received.....	85,007.22
Reserve for Claims Unreported.....	75,000.00
Present Value of Death, Disability, and other Claims Payable in Instalments.....	2,310,316.50
Premiums and Interest Paid in Advance.....	956,689.05
Reserve for Taxes Payable in 1934.....	285,693.59
Other Reserves.....	315,293.03
Profits for Distribution to Policyholders.....	1,766,206.59
Miscellaneous Contingency Reserves.....	700,304.68
General Contingency Reserve.....	1,000,000.00
Surplus to Policyholders (Including \$1,100,000.00 Paid-in Capital).....	2,895,866.76
TOTAL.....	\$47,611,681.42

Insurance in Force \$357,062,108

SERVICE

DURING four depression years N*NL has:
Paid in Death Claims \$ 8,700,000
Paid Living Policyholders 17,900,000
Loaned Policyholders on the
Sole Security of Their Policies 12,800,000

Since Organization in 1885, N*NL has Paid
Policyholders and Beneficiaries over
71½ MILLION DOLLARS



NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

STRONG

MINNEAPOLIS, MINN.

LIBERAL

Gratifying Increases in Life Sales Are Reported

The Ohio State Life's November business showed a 50 percent increase.

The Des Moines agency of Union Central Life made a 125 percent gain in business in December and produced more than 34 percent more business in the last seven months of 1933 than in the corresponding period of 1932, according to F. G. Applequist, manager. An increase in business each month since May has been shown.

C. O. Fischer, St. Louis general agent for the Massachusetts Mutual Life, reports that December was the best December in the 50 years the general agency has been in operation, 278 applications being written for \$1,680,000 of new business. Mr. Fischer also reports that in November and December there was a marked decline in the requests for policy loans and that many policyholders who had borrowed on their insurance are now repaying such debts.

Ben Thorp, Dallas, Texas, manager for the Colorado Life and the Gibraltar Life & Accident, reports a splendid business for the year—November having the largest production of any month in the year. Business to Dec. 15 was ahead of November business. The Thorp agency has recently doubled its space in the Allen building.

The Church Life of New York City, a subsidiary of the Church Pension Fund of the Protestant Episcopal Church, shows an increase of 39.4 percent in volume in 1933. Annuity sales were over 50 percent greater than in 1932.

The report shows 94.4 percent increase in annuities for December of this year over the same month last year.

Due to a new time control system, L. W. Spicard, Detroit manager for the Bankers of Iowa, reports December production showed a marked increase over November, bringing December business to a level 37 percent higher than in December, 1932.

During three of the last five months the Kansas agency of the Business Men's Assurance under Manager B. A. Hedges exceeded its production for the same months of 1932. In the five months with but 56 percent as many agents, the agency paid for 87 percent as much business as in 1932. The average per man was 55.6 percent greater in 1933 than in 1932.

President Is Honored by the Rate Book Men



GEORGE W. STEINMAN

The Midland Mutual Life of Columbus, O., closed the year in excellent shape. It held a Steinman campaign in honor of the new president, G. W. Steinman, in the closing quarter. This gave a 25 percent increase for the quarter and a 50 percent increase in December. Mr. Steinman was elected president in September, succeeding the late H. B. Arnold. The company closed the year with over \$100,000,000 in force, a loss of about 5 percent. The Midland Mutual has paid its policyholders over \$500,000 more in dividends than the total of all death claims in its 28 years of operation. The mortality averages 40.2 percent for 28 years with about 35 percent last year. It prides itself on its comparatively low lapse ratio.

A conference of general agents was held last week at the head office. The Tice & Jeffers agency in Columbus showed an increase in insurance in October of 30 percent over October the year before, in November the increase was 60 percent and in December 120 percent.

Warrant Issued on Charge of Fraud Against J. I. Reece

Charging conspiracy to defraud Tennessee, a warrant was issued at Nashville against Joseph I. Reece, former insurance commissioner, P. M. Davis, Nashville banker; Vance Alexander, Memphis banker, and A. V. Louthan, Nashville lawyer. Assistant Attorney General Goldschein, had sworn to the warrant before a magistrate, and charged that the four conspired to defraud the state of \$22,632 to be used in the gubernatorial campaign of November, 1932. Grand jurors recently refused to return an indictment in the case and when Goldschein asked dismissal of the jurors who voted against the proposed indictment, Criminal Judge Hart sustained the grand jury's action.

Indicted for the alleged abstraction of \$100,000 in bonds from the Tennessee department of insurance, Mr. Reece is scheduled for trial Feb. 10 in the criminal court at Nashville. His trial has been postponed five times because of illness.

Sun Life Coast Conference

The Sun Life of Canada will hold its Pacific Coast managers' conference in San Francisco Jan. 17-19. H. M. Moore, superintendent of agencies from the home office, will attend. G. T. Bryson, inspector of agencies, is also expected to be present.

The Sun Life will hold its annual agency convention next summer at Banff, Can.



"You look like you've made a New Year's Resolution."

"You bet I have, and I've got more than a Resolution . . . I've got a system . . . a system that works."

The Continental American offers to its field men an exclusive and proven system of prospecting and recording that efficiently and profitably planned each day's work.

CONTINENTAL AMERICAN
Life Insurance Co.

Wilmington-Delaware

For Agency Matters Address
GEORGE A. MARTIN, Vice-President

The Criterion

THE true measure of progress in an institution is performance—not for the day only—but over the years. This progressive, time-tried Company is in its fortieth year of consistent, conservative, steady performance. It has paid over \$85,000,000 in benefits to policyholders and their beneficiaries . . .

THE
STATE LIFE
INSURANCE COMPANY

Indianapolis
Indiana

FORTIETH YEAR

Early Career of Franklin Mead

By E. JAY WOHLGEMUTH

The career of the late Franklin B. Mead, executive vice-president of the Lincoln National Life, is a striking illustration of the opportunities that were afforded in the life insurance field in the development of new companies following the Armstrong Investigation. It was with Mr. Mead's father, H. C. Mead, that THE NATIONAL UNDERWRITER, then the "Ohio Underwriter," had its first office in the St. Paul building in Cincinnati when the paper was established in 1897. Mr. Mead, Sr., was the general agent of the Security Trust & Life of Philadelphia, a sub-standard company afterwards merged with the Pittsburgh Life & Trust, which was taken over by the Metropolitan. This substandard business turned out to be more profitable than ordinary. Franklin B. Mead as a very young man joined his father, even then became the mainstay of the agency and handled much of the business which was secured on a brokerage basis from the agents of the regular companies in Cincinnati who had risks which they could not place in their own companies.

Mr. Mead, through his practical experience with substandard risks, conceived the ambition of becoming an actuary and went to the University of Michigan, where he took the actuarial course, on completion of which he entered the home office of the Michigan State Life of Detroit and went with the Lincoln National Life when the Michigan State was reinsured in that company.

Studying Mr. Mead's remarkable development both as an actuary and executive it is not unlikely that its germ

is to be found in his early work with substandard risks in the old Security Trust & Life. He always liked special problems. He had charge of the reinsurance work of the Lincoln National and from his actuarial training developed into such subjects as claims, employment and personnel, accounting and investments.

His was the rare combination of the

actuarial and mathematical mind applied to practical affairs, as exemplified in such men as the late John B. Linger, vice-president of the Equitable, Travelers, New York Life and Prudential, in which latter company he first worked in the actuarial department. Another man having this combination is President George W. Smith of the New England Mutual. Still another is President M. A. Linton of the Provident Mutual. It is the one that will normally produce the highest type of life insurance executive, the type in which the intellectual predominates over business expediency, where principle is always present with practice. Although somewhat in the discard at

the present time, the experience table on total and permanent disability was the joint effort of Mr. Mead and Actuary Arthur Hunter of the New York Life and it was made up partly from the long experience of a sick benefit fund in Manchester, Eng., at that time the best experience to be had. No doubt the contact which Mr. Mead had with substandard risks during his early days in Cincinnati had something to do with his development later on in his study and mastery of special life insurance and health subjects.

There are 15,334 life insurance agents licensed in California.

UP 53%

ACACIA'S 1933 ASSETS INCREASE 53% OVER 1929

FOUR years ago Acacia's assets were \$33,865,580. This year they are more than \$52,000,000—53% higher. That is a sample of Acacia's forge ahead through the depression years. Regardless of the times, progress is a habit of this Company.

Preliminary Figures

ACACIA'S 65th ANNUAL REPORT

December 31, 1933

New Paid-for Insurance.....	more than	\$40,000,000
Insurance in Force.....	more than	\$347,000,000
Paid in Death Benefits.....	more than	\$2,100,000
Paid to Policyholders in Dividends.....	more than	\$1,100,000
Paid to Living Policyholders.....	more than	\$3,100,000
Increase in Assets.....	more than	\$3,000,000
Total Assets.....	more than	\$52,000,000

YOU can with confidence patronize Acacia to the limit. It gives as good insurance as can be obtained, at rates lower than the rates of any other mutual old-line company.

Any man between the ages of 18 and 65, physically and morally acceptable, is eligible for Acacia low net cost insurance.

ACACIA

MUTUAL LIFE INSURANCE COMPANY

William Montgomery, President

101 Indiana Avenue

Washington, D. C.

Branch Offices in 61 Principal Cities

NEW YORK NEWS

SOME NEW YORK CITY RECORDS

The J. S. Myrick agency of the Mutual Life of New York in New York City paid for \$2,554,691 in December as against \$2,546,465 for December, 1932. For the year the total production was \$21,225,406 as compared with \$26,557,265 for 1932.

The Luther-Keffer agency of the Aetna Life in New York City paid for \$1,114,277 in December and for \$23,332,998 for the year.

The Harold Taylor agency of the Mutual Life of New York paid for \$3,500,000 in 1933, a gain of \$450,000 over 1932.

* * *

LUTHER-KEFFER HOLIDAY DINNER

The Luther-Keffer agency of the Aetna Life in New York City held its holiday dinner party last week. Among the home office representatives were President M. B. Brainard, Agency Secretary C. F. Gay, Vice-President and Actuary E. E. Cammack; Vice-president J. B. Turn; Secretary J. B. Slimmon; Medical Director D. B. Cragin; Assistant Vice-president W. H. Dallas; Assistant Actuary Ralph Keffer; Assistant Actuary R. W. McCreery. Vice-president S. T. Whatley was absent as he was attending the funeral of Arthur Bassford, general agent in Grand Rapids.

* * *

C. B. KNIGHT AGENCY PARTY

The C. B. Knight agency of the Union Central Life celebrated the completion of its twentieth year with a party and entertainment.

Addresses were made by Paul S. Ranck, secretary-treasurer of the agency, and W. E. Barton, vice-president. Mr. Knight was unable to attend as he was on the eve of leaving for Arizona for the remainder of the winter. D. H. Ward presided. Maurice Ziff, agency assistant, had general charge of arrangements.

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York
PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704

S. J. WOHLGEMUTH, President
HOWARD J. BURRIDGE, Vice-Pres. Gen. Mgr.
JOHN F. WOHLGEMUTH, Secretary
Associate Managers:

W. A. SCANLON G. C. ROEDING

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CINCINNATI OFFICE

490 E. Fourth St., Tel. Parkway 2140

LOUIS H. MARTIN, Manager

ABNER THOMP, Jr., Director Life Ins.

Service Dept.

CURTIS C. CROCKER, Mgr., Handbook Dept.

NEW YORK OFFICE

Room 502-128 William St., Tel. Beekman 2-3958

EDITORIAL DEPT.

GEORGE A. WATSON, Associate Editor

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HARTFORD OFFICE

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Telephone 7-1237

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PHILADELPHIA OFFICE

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Subscription Price \$3.00 a year; in Canada, \$5.50 a year. Single Copies, 15 cents. In

Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.50.

Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act,

March 3, 1879.

C. M. CARTWRIGHT, Managing Editor

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Associate Editors:

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A. J. EDWARDS, Resident Manager

ATLANTA, GA., OFFICE

204 Atlanta National Bank Building

Discrimination as to Failures

THE publicity given to the collapse of some legal reserve life companies has caused more or less consternation in the public mind because legal reserve life insurance was looked upon as impregnable, regardless of the character of management and its ability. The worst that could happen to a policyholder in days gone by was that his company would be absorbed by some other company but his interest would not be disturbed. Therefore it came as a great shock when receiverships were announced for legal reserve companies.

We have had innumerable failures in all other lines such as banks, building and loan associations and commercial enterprises of all sorts. Life insurance has been singularly free from out and out failure where the policyholder loses what he has contributed and his hope for the future.

When one analyzes these legal reserve failures, so called, they are not in the same class as the usual commercial failures. This is a distinction that life men should appreciate and be able to explain to those that are prone to be hypercritical because some companies have had to give up the ghost.

We must keep in mind that the primary function of a life company is to pay death claims. That was the object of life insurance in its pristine form. Then came the investment form of policy so that protection and a certain amount of investment were combined.

The moratorium which was declared early in March certainly brought to the front the basic obligations of a life company regardless of whether it was large or small, stock or mutual, eastern, western or southern. It was necessary to conserve the funds of companies in order that death claims might be paid. At this time owing to the breakdown of the banks, hundreds of thousands of people then fell back on their life companies and if the latter had not been protected against this onslaught ruin would have been in the air and those that purchased life insurance for the purpose of protecting their families would have been lost in the shuffle.

So far as almost all the life insurance failures are concerned, death claims are being paid under contract by the companies taking over the policyholders or the business. The beneficiaries therefore are receiving their money. It is true that it has been necessary to place a lien on the policies so that the loan and surrender values are affected.

Therefore the "failures" so called, are not failures in the sense that we all have been in the habit of classifying as such. Where the contracts of a company are filled to a letter so far as the primary functions are concerned, it cannot be said to have been an out and out failure. One company president in commenting on this very subject says:

"In talking with our own men we are advising them not to admit that simply because a company finds it necessary to reorganize or readjust its affairs, or even reinsure, it can necessarily be referred to as having 'failed.' Rather do we urge them to speak of it as having become sufficiently impaired so that under the very rigid laws and regulations under which life companies operate, it has been required that they make certain provisions to guarantee the continuation of the prompt payment of all death benefits.

"With the exception of the slight amount represented by the interest on the lien, it is true that death claims under the companies I have mentioned are being paid fully and promptly. I maintain, therefore, that in a strict sense these companies have not failed and that we should discontinue referring to the number of failures that have occurred among the life companies of this country. You may feel that this is a rather strained construction to place upon the situation. I feel, on the other hand, that we ought to be doing everything we can to combat the idea that the structure of life insurance is not as sound as we have heretofore been taught to believe it to be.

"We read every day, of course, of failures reported by the big commercial agencies and oftentimes the amount of liability set up is 10, 50, or even 100 times the amount of assets listed. That

PERSONAL SIDE OF BUSINESS

Charles F. Collins, assistant superintendent of agencies of the New England Mutual Life, leaves this week on an extended tour which will keep him away from the home office until April. Mr. Collins expects to visit agents of the company through the southwestern part of the country.

F. H. Searle, assistant secretary of the Connecticut Mutual, has just celebrated his 45th anniversary of service with the company. The accounting department, which is under his supervision, now has 125 employees as contrasted with only seven when he first became associated with the company, while the total number of home office employees has grown from 40 to 479. It was not until some time after he entered the home office that any female help was employed. In Mr. Searle's early days with the company, all policies and copies of applications, which are made a part of the policy contract, were written by hand and those who possessed good penmanship were highly desired. Following experience in the actuarial, renewal and cashier's departments, Mr. Searle in 1913 became head of the accounting department, which is still under his jurisdiction. In 1920 he was appointed assistant secretary.

S. A. Swisher, assistant superintendent of agents Equitable Life of Iowa, is planning a trip to Cuba while he is recuperating from an attack of double pneumonia suffered while in New York City in December. He had gone to New York to attend the meeting of the Life Presidents when he was stricken. Mrs. Swisher was called to New York and plans to make the Cuban cruise with him.

Ed Mays, president of the Continental Life of St. Louis, has announced he will not be connected with the Grand National Bank of St. Louis either as president or a director when it reopens on a 100 percent basis within the next few weeks, and will devote his entire time to the Continental Life.

Reports have been current recently in Virginia political circles that E. L. Trinkle, president of the Shenandoah Life of Roanoke and former governor, was planning to run for United States senator next year against Senator H. F. Byrd but he issued a statement the other day denying that he had any such idea in mind. "I am giving my entire attention to my duties as president of the Shenandoah," he said, "and have no intention of seeking any political appointment at this time." Mr. Trinkle was recently elected president of the Shenandoah after serving as executive vice-president for seven years.

George W. Ayars of Los Angeles addressed the business and protective law section of the California Federation of Women's Clubs at its meeting Jan. 3 on "Insurance Law and Insurance Companies." He spoke on the same subject at the December meeting of the South Pasadena Women's Club.

C. B. Knight, manager of the New York agency of the Union Central Life, celebrated his 20th anniversary of service in this capacity Jan. 1. He heads the largest agency in the company and one of the greatest agencies in the country.

In 1900, he obtained his first position

is in fact a real failure. But it seems to me there is something inherently different between that sort of a situation and the one that has existed where the companies that have reorganized or reinsured have been involved."

as manager of a life agency in Pittsburgh, and proceeded to make a success of his work. His next assignment took him to Philadelphia in the same capacity and again his efforts resulted in his formation of the largest agency in his company. The next January saw him go to New York with the Union Central and from a small beginning build the outstanding agency he now heads.

J. C. Higdon, vice-president and director of agencies of the Business Men's Assurance, spent last week in Texas and Arkansas and has been in Indiana, Ohio and Illinois this week.

H. V. Montgomery, associate general agent for the State Mutual in San Francisco, who suffered painful injuries while horseback riding, is rapidly recovering and expects to return to his office within another week.

H. M. Simpson, Federal Life manager, Denver, and Mrs. M. A. Carroll, manager at Cedar Rapids, Ia., have just completed their seventh year of consecutive weekly production. They qualified as charter members of the company's App-a-Week Club the first week it was organized.

One member of the club has written at least one life application each week for six years and two for over five years.

President T. W. Appleby and John H. Evans, vice-president in charge of agencies of the Ohio National Life, are making a trip shortly after the first of the year to the Pacific coast visiting the various agencies. They will hold agency meetings Jan. 9 in Seattle and Jan. 18 in Los Angeles and expect to return to Cincinnati the latter part of January.

Former Agency Man for the Travelers Is Dead



S. R. MCBURNEY

S. R. McBurney, who retired as superintendent of agencies of the life and accident department for the Travelers in 1924, died last week at Los Angeles. He was born in Cedar Rapids in 1868 and joined the Travelers in 1887 as cashier in the Iowa and Nebraska state agency. Later he was made cashier at St. Louis under John L. Way and when Mr. Way was made second vice-president at the home office, Mr. McBurney was made St. Louis manager. He went to Hartford in 1907 as superintendent of agencies.

NEWS OF THE COMPANIES

Travelers Writes 453 Million

Total Income of Three Companies More Than \$453,000,000—Life Premiums Are \$99,182,000

HARTFORD, Jan. 4.—Life business written by the Travelers in 1933 totaled more than \$453,000,000 and the total income of the three Travelers companies was \$189,334,000 of which \$159,150,000 came from premiums. Of this total \$99,182,000 came from life insurance premiums. The 1933 volume of premiums of the three companies came within 4½ percent of that for 1932. An increase was registered in group insurance.

In commenting on these results, President L. Edmund Zacher said: "A very satisfactory improvement in the character of the companies' business has been made during the past year and we enter the new year with the organization as a whole better equipped than ever before to serve our agents and policyholders. Let us look forward to 1934 with confidence and be prepared to prosecute our opportunities with diligence and success."

Further purchases of government securities were made by the Travelers companies during the year and these holdings now amount to \$112,200,000, or an increase of \$27,400,000. Cash on hand is \$18,000,000, slightly more than a year ago.

Can't Draw Down Deposits

Colorado Supreme Court Refuses Pacific States Life Right to Funds of Reinsured Company

Permission has been refused by the Colorado supreme court for the Pacific States Life of Hollywood, Cal., to draw down the securities of the old Farmers Life of Colorado, which are on deposit with the Colorado insurance department. The Pacific States Life in 1931 reinsured the Farmers Life. The lower court held for the Pacific States.

Securities were deposited under the legislative act of 1913, section 2481, C.L.1921. This statute intended that the securities deposited with the commissioner should be maintained for the benefit of policyholders who took out their policies while the 1913 statute was in effect and before the amendatory act of 1925 was adopted.

The supreme court held that the securities in controversy were deposited for the express purpose of securing to the policyholders the policies which had been issued to them and constitute an exclusive trust for such purpose only, which remains in force until the object has been fulfilled and discharged. The policyholders, who took out their insurance previous to the enactment of the statute of 1925, had a vested right in the securities which theretofore had been deposited with the commissioner and it was beyond the power of the general assembly, even if it attempted to do so, to authorize the withdrawal of such deposits over the objection of such policyholders which was in due time interposed by the commissioner acting in their behalf.

The Pacific States Life is having the same sort of controversy in Indiana and Illinois, where it sought to draw down the deposits of the Chicago National Life, which it reinsured.

Has Three Agency Clubs

The General American Life of St. Louis has launched three agency clubs; the President's Club, for agents in the \$200,000 class; the Leadership Club, \$100,000 to \$199,000, and the Progress Club, \$50,000 to \$99,000.

New Statement Being Issued

Northwestern National Life One of the Earliest Companies with Its Financial Exhibit

The Northwestern National Life of Minneapolis is one of the first companies every year to come out with its new financial statement. President O. J. Arnold is still walking at the head of the procession as his new figures for Dec. 1, 1933, are issued. The assets are \$47,611,682 of which 2.79 percent or \$1,328,064 are cash, 14.02 or \$6,676,083 are United States government securities, 1.25 or \$595,520 Canadian government, 6.66 or \$3,171,425 state, county and municipal bonds, 9.1 or \$4,333,760 railroad bonds, 6.54 or \$3,113,048 railway equipment, 4.78 or \$2,275,120 public utility, 8.59 or \$4,087,944 farm loans, 10.75 or \$5,117,707 city loans, 21.05 percent or \$10,020,195 policy loans, 5.6 or \$2,668,655 real estate including home office building, 4.71 or \$2,243,582 premiums due and deferred. It shows \$37,221,304 legal reserve, \$2,310,317 disability and installment reserve, \$1,766,207 policyholder dividend reserve. Its contingency reserves are as follows: Miscellaneous \$114,019, land and loan \$381,731, bond default \$204,554, general contingency \$1,000,000, capital \$1,100,000, surplus to policyholders \$2,895,867, insurance in force \$357,062,108.

Its income last year was \$11,250,000, it paid beneficiaries \$2,000,000, paid living policyholders \$5,250,000. Its new business was \$65,000,000, it paid policyholders and beneficiaries since organization \$71,250,000. Its assets increased \$500,000. By increasing its holdings of cash and United States government bonds to the point where they now represent nearly 17 percent of its assets, the company finds itself to be in the most liquid condition in history.

"This substantial increase in liquidity, bringing the total of cash and government bonds held by the company to \$8,004,146, was accomplished through the regular and normal operation of the company's business and without resorting to the sale or pledge of any asset," President O. J. Arnold said.

In valuing bonds the Northwestern National Life follows the sound and accepted practice of carrying all in good standing on an amortized basis as required by law, while for those few temporarily in default it sets up an appropriate contingency reserve to adjust them to their actual Dec. 31 market values.

Action of Volunteer State

Company Votes to Add \$750,000 to Its Surplus and the Contingency Reserve

The Volunteer State Life at a special meeting of stockholders added \$750,000 to surplus and contingency reserve. This will give the company a total of these items in excess of \$1,100,000. The result is the establishment of a stronger and better balanced capital structure. This action was accomplished by reducing the par value of capital from \$25 to \$10 a share. The equities of the stockholders have not been changed. President A. L. Key in a report to the stockholders told of the activities of the company. He called particular attention to the fact that during the first 11 months of last year the agency organization had paid for more new business than during the similar period of 1932. He found that there had been a corresponding betterment in all departments. He emphasized the materially improved business conditions prevailing throughout most of the territory in which the company operates. He said that it is in a stronger investment position than ever

GOOD NEIGHBOR OF A NATION

RELIANCE LIFE—with 36 branch offices and more than 1500 Reliance-trained, Reliance-supported representatives—is "next-door neighbor" of the residents of 32 states and the District of Columbia. Considerate service, and intelligent counsel in applying life, accident and health insurance to the varying needs of man, woman and child have gained for Reliance its enviable reputation as a policyholders' company.

Ask J. C. Kirby
San Antonio, Tex.
Representing Reliance Life
for More Than 15 Years



RELIANCE LIFE

SECURITY Seals every Reliance Policy

WANTED: Managerial Material



for the
**States of
New York
and Ohio**

There are many men who would make good local and district managers for this 62 year old Company. We are trying to find them. And when we do they will be glad to hear our story. But, frankly, the best managers we have found were men who started with us as agents. Our problem is to fit good men to available territory in the states of Ohio and New York.

Buffalo Mutual Life is a progressive Company, growing fast, but not so large as to make individual attention and instruction difficult. If you feel you are managerial material and are willing to prove it by starting as an agent, write in confidence and detail to E. Parker Waggoner, Supt. of Agents, Buffalo, N.Y.

18 POLICIES... Birth to Age 60... DEPENDABLE PROTECTION

Whole Life Special • 20 Payment Life Special • Multiple Option Life and Annuity • 10 and 20 Year Modified Ordinary Life • 10 and 20 Year Family Income • Endowment at Age 65 • Ordinary Life, Endowment at 85 • 20 Payment Life, Endowment at 85 • 10, 15 and 20 Year Endowment • Special Convertible Term • 10 Year Term • Children's Policies (Three Forms) Birth to Age 10

and has a cash balance in excess of \$500,000.

Liberty National Increases Ordinary Sales 34% in 1933

The Liberty National Life of Alabama increased its new ordinary business 34 percent in 1933 for an estimated paid total of \$4,971,700 compared to \$3,710,745 in 1932. The Liberty National's total insurance in force, including both ordinary and industrial, is now \$35,840,325 or an increase of \$3,500,000 over 1932, which represents a 10 percent increase.

To Show Many Gains

President H. A. Behrens of the Continental Assurance, in a message to the field force, advises in a general way what the 1933 statement will show. There will be an increase in cash, United States government obligations and other public bonds. There will be an increase in insurance in force. The company will show the largest amount of insurance in force in its entire history and the greatest degree of liquidity in assets. There will be a contingency reserve for security fluctuations sufficient to write to market quotations all bonds ineligible for

amortization and all stocks. The Continental Assurance owns only preferred and guaranteed stocks.

Gulf Meeting in New Office

JACKSONVILLE, FLA., Jan. 4.—The Gulf Life has moved its home offices to four full floors in the Greenleaf-Crosby building. Increase in business made the very much larger quarters necessary.

The annual managers' conference held in the new quarters brought a large attendance from all parts of the state. President T. T. Phillips reported that "the Gulf Life is financially stronger and its assets more liquid than before the depression."

Jones Made Agency Supervisor

Oscar V. Jones has become supervisor of agents of the United States Life. He has been assistant to W. H. Decker, whom he now succeeds.

Gives Up Mexican Business

OMAHA, NEB., Jan. 4.—The Woodmen of the World has withdrawn from Mexico due to the monetary situation there and to the exchange difficulties involved in doing business on an international basis. The association will turn

over business aggregating \$1,500,000 on 2,064 policies to an association formed in Mexico. Reserves of \$200,000 will also be transferred.

Will Concentrate Its Operations

The Reserve Loan Life in order to cut down departmental expense and tax, inasmuch as it has not been aggressive in these fields for a number of years, has retired from Delaware, District of Columbia, Florida, Kentucky, Louisiana, Maryland, New Jersey, Pennsylvania, Virginia and West Virginia. It intends

to concentrate its efforts on more profitable territory where it has a satisfactory agency organization.

Observe Silver Anniversary

The last week in August has been set for the silver anniversary celebration of the Business Men's Assurance.

The Ohio department report on the Pure Protection Life of Cleveland as of July 1 shows new business for the six months \$1,372,500, insurance in force \$12,388,700, decrease \$461,300, total income \$97,547, disbursements \$82,215, assets \$847,771, surplus \$101,146.

LIFE AGENCY CHANGES

Northwestern Mutual Change

General Agents Thomas of San Francisco and Hewitt of Oakland Retire —Iowa Field Revamped

E. J. Thomas, Northwestern Mutual Life general agent at San Francisco, has retired, and after taking a vacation and a long deferred rest, plans to devote his time to personal production. Mr. Thomas was a member of the partnership of Smith, Thomas & Thomas which became general agent for Northwestern Mutual in San Francisco July 1, 1907. He became sole general agent in 1924. Mr. Thomas started in life insurance at the age of 20, becoming a general agent at 26 and serving as general agent for 26 years. Until the appointment of his successor has been confirmed, the agency will be in charge of Miss Rosa Petersen as agency cashier.

With the termination of the general agency contract of W. A. Hewitt at Oakland, Cal., the Northwestern Mutual Life has appointed H. A. Wallace, agency cashier at Oakland, pending the confirmation of the appointment of a new general agent.

Mr. Hewitt, who will devote his time to personal production, started in the life insurance business in 1906 under the late W. J. Fischer, former general agent at St. Louis, serving in the capacity of clerk, field superintendent and agent. He was general agent for the company in Maine with headquarters at Portland for three years, and in 1924 was appointed general agent at Oakland.

Iowa Territory Reassigned

The Northwestern Mutual Life has announced that following the death of J. C. Garland, general agent at Dubuque, Ia., in October, it is continuing with four general agencies in Iowa instead of five. For the production of new business the Iowa territory has been changed effective Jan. 1 into approximately four equal parts. The R. H. Pickford general agency at Cedar Rapids now has the northeastern part of the state, C. R. Garrett at Sioux City the northwestern quarter, J. J. Hughes at Des Moines the southwestern and J. H. Copeland at Davenport the southeastern territory. The agency cashier contract with T. W. Braden at Dubuque has been extended to Feb. 28 to permit collections of business in force of the former Garland agency and pending readjustment of business of that agency through the division of the territory among the other four general agencies.

Carroll Perdue of Des Moines has been named to succeed Rans Neels as district agent for the Register Life at Audubon, Ia. Mr. Neel goes to Davenport as general agent.

An experienced life underwriter who has a proven production record in his present connection as associate general agent; who knows how to pick and train men and develop virgin territory wants to broaden his field of operation and desires a General Agency for a sound, conservative life company. Willing to locate anywhere. Can furnish references as to character and ability. Address Y-12, The National Underwriter.

Hommeyer Minneapolis Head

Union Central Home Office Man Succeeds C. M. Sullivan, Who Is Transferred to Toledo

Paul Hommeyer, who has been assistant superintendent of agencies for the Union Central Life in charge of the southern district, has been made manager of the Minneapolis agency, succeeding Claude M. Sullivan.

Mr. Sullivan became manager of the Toledo agency following the resignation of S. Lloyd McAfee.

Mr. Hommeyer has been in the agency department of the home office eight years. He was educated at Culver Military Academy and Dartmouth College, with his study centering on the mathematics of life insurance. He did graduate work and served at Dartmouth as an instructor before joining the Union Central in 1926. He was in charge of the sales research department two years and then was appointed agency secretary. He entered field work in 1930 as district supervisor. He was elected assistant superintendent last January.

Mr. Hommeyer is a son of Charles Hommeyer, vice-president of the Union Central, and has already had a wide experience in the field as agency supervisor and in other capacities.

Mr. Sullivan has been with the Union Central 16 years, having served as manager of the Sioux City, Ia., agency before going to Minneapolis in 1931.

Mr. McAfee, who became affiliated with the Union Central in 1895, and has been head of the Toledo agency since 1908, will remain with the agency as general agent. He will devote his time to the service of his large personal clientele.

Starrett Illinois Manager

Former Peoria Life State Manager Takes Over That Territory for Ohio State Life

W. E. Starrett, formerly with the Peoria Life, has been appointed manager for Illinois, outside of Chicago and vicinity, by the Ohio State Life. He will have offices at 503 Lehman building, Peoria. Mr. Starrett, who is widely known in life insurance circles, has been in the life insurance work for 35 years. His first connection was with the Na-

Salesmen Wanted

To Present Established Line to Life Insurance Home Offices, Agencies and Agents.

Thrift Manufacturing Company
835 Howard St., Dept. E.
San Francisco

3-DAY COURSE

Get the "Dynamic Short Course," puts a new man into production at end of three days. Price \$3.00 cash with order; full refund if complete plans are followed and you are not satisfied.

Insurance R & R Service
Indianapolis, Indiana



**Salesmen—
Excellent
Opportunity**

"A New Deal in Life Insurance"

A Dollar's Worth for a Dollar

Mutual Legal Reserve. Participating, non-par rates; estimated average annual cost Ordinary Life, age 35 \$15.38 per thousand; Twenty-Pay Life paid up for \$1,549 plus dividends per thousand in 20 years; Endowment pays \$1,961.54 plus dividends per thousand if policy becomes a claim year it matures. Cash accumulation available any time without note, interest or deduction from face of policy; juvenile with all fine features of adult policies. Unlimited opportunities for agencies in Illinois, Michigan, Indiana, Missouri.

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LIFE INSURANCE
COMPANY**

Mutual Legal Reserve Life Insurance
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TRIPLE INDEMNITY LIFE INSURANCE

with Weekly Accident Disability
in One Contract for One Premium

**General Agency
Contracts**

available at Bangor, Me.; Cincinnati, Ohio; Toledo, Ohio; Erie, Penna.; Harrisburg, Penna.; Altoona, Penna.; Williamsport, Penna.; and Detroit, Mich.

Inquire

**UNITED LIFE
and ACCIDENT
INSURANCE COMPANY**

United Life Bldg., Concord, New Hampshire

tional Life, U. S. A., of Chicago. He joined the Peoria Life about 25 years ago, serving first as general agent at Peoria and later as state manager for Illinois outside of Chicago. His organization had produced as much as \$10,000,000 of business in a single year and this year, up to the time the Peoria Life met with difficulties, his territory had produced \$4,000,000 of business. An indefatigable worker in life insurance, Mr. Starrett's only hobby is the overseeing of his 1,000-acre farm. He spent a day this week in Columbus completing plans for taking over his new work.

C. H. Sagar, Veteran General Agent at Worcester, Retires

After many years of splendid service with Northwestern Mutual Life, C. H. Sagar, general agent at Worcester, Mass., has retired at the age of 76. The territory of the Worcester agency, comprising central Massachusetts, has been divided between the general agencies of B. H. Badenoch, Boston; O. F. Heyman, Springfield; and V. D. Griffin, Manchester, N. H. Collections of premiums in the former Worcester territory for January and February will be made by Mr. Heyman.

Mr. Sagar started in life insurance 32 years ago with the Kimball & Norton general agency in Chicago. Previously he had had considerable sales experience in other lines. His work with the Chicago agency included the training of men. In 1912 he was appointed general agent at Worcester and served with success for 22 years.

R. C. Gibson Takes Lincoln for Southwestern Indiana

R. C. Gibson of Vincennes, Ind., has been appointed general agent of the Lincoln National Life for southwestern Indiana. He will open new offices in the LaPlante building, and will have as his territory the entire southwestern section of the state. Burkhardt & Moore, Indianapolis general agents, will control other southern territory in the state.

All of Mr. Gibson's business career has been spent in life insurance selling. He first entered the business as a personal producer in Vincennes immediately after the war. In 1921 he took over the management of the agency with

which he was connected, and has been actively engaged as general agent of the National Life, U. S. A., and personal producer since that time. His personal production rate stands at an average of \$500,000 a year. The Gibson agency has been continuously in operation since 1915.

W. L. Fitzgerald

Announcement is made by James S. Kemper of Chicago of the appointment of W. L. Fitzgerald as manager of the life department of the Kemper insurance organization. Under Mr. Fitzgerald's direction it is planned to broaden the facilities of the life department to make a complete service in that field available to clients of the Lumbermen's Mutual Casualty and its affiliated companies.

A native of Milwaukee, Mr. Fitzgerald has a varied background of experience in the transportation and insurance fields. The past four years he has been with the Northwestern Mutual Life, of which his brother, Edmund Fitzgerald, is vice-president.

Edwin C. Huber

Edwin C. Huber has been made manager at Wilmington, Del., for the Mutual Life of New York. He succeeds A. W. Swarts, who is retiring after 34 years of service. Mr. Huber has been connected with the Mutual Life since 1922 at Wilmington and has made a record as personal producer.

American National Changes

General agency appointments in Tulsa, Stamford, Tex., and Norfolk, Va., are announced by the American National of Galveston. L. C. Lock, who was general agent for the Bankers Reserve Life in northeastern Oklahoma at the time that company was merged with the Ohio National, has been appointed at Tulsa. In 1929, in his first year in the life insurance business he paid for nearly a half a million dollars.

R. B. Hills, who has been connected with the Missouri State Life, is the new general agent at Stamford.

J. L. Storey, who was general agent for the Missouri State at Norfolk, has been named by the American National to cover southeast Virginia. In 1932, his agency produced for the Missouri State over \$22,000 in paid first year premiums.

LIFE COMPANY CONVENTIONS

Arranges Sales Congresses

Great West Life Will Hold Conferences of Its Agents at Various Points

Announcement is made by H. W. Manning, assistant general manager of the Great-West Life, that sales congresses will be held at all branch offices throughout Canada and the United States. The first was held at Fargo, N. D., this week and the final one at Victoria, B. C., Feb. 26-27. Certain standards of qualifications for out-of-town agents have been set up.

The principal speakers will be H. A. H. Baker, manager Winnipeg branch, who will speak at Fargo, Minneapolis, Chicago, Detroit, Montreal, Fort William and Vancouver; C. F. Dunfee, manager Vancouver branch, who will speak at Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Victoria and Seattle; A. P. Johnson, Detroit city manager, who will speak at Windsor, Hamilton, Toronto and other Ontario offices. C. F. Hohlstein, manager of the Montreal City branch, will speak at Ottawa, Sherbrooke, Quebec City, Halifax, St. John and Charlottetown.

Albert Daoust, Quebec City manager; Paul Girard, Montreal country manager;

J. R. McKenzie Marois, Sherbrooke manager, and Bernard Benoit, manager at Three Rivers, will assist the principal speakers in the Province of Quebec. G. C. Cumming, supervisor field service, and D. R. Ferguson, inspector of agencies, will each be a second speaker at various points.

Gulf States Security Rally

Agency Convention of Texas Company in Dallas Climaxed by Trip to Mexico City

President Z. E. Marvin was in charge of the annual agency meeting of the Gulf States Security Life in Dallas, Tex., which discussed plans for the future and arranged a program for 1934. More than 200 agents and their wives were present at the banquet.

J. F. Rodgers presided at the morning session. J. W. Carpenter, chairman of the board; H. R. Mitchell, chairman executive committee, and Mr. Marvin spoke on past achievements and future prospects of the company. Mr. Marvin emphasized the high character of insurance salesman's calling and the necessity of abolishing the apologetic attitude so prevalent among insurance salesmen.

Optimism, both for the state and the

1934

America—now emerging from the painful yet purging economic punishment of the past four years, cleansing fires that literally drove business into more shrewdly calculating management that wrings the last penny of profit from every dollar invested, and a citizenry schooled to the wisdom of true thrift with the fruits of employment—what a land of opportunity for courageous men and women.

1934 extends a promise that, unlike the prophecies of other years, is pledged to sound progress and lasting profit because the foundations upon which workers will build is of the solidity of rock—not the treacherous sand of an ephemeral prosperity.

AMERICAN CENTRAL LIFE INSURANCE COMPANY INDIANAPOLIS - - - INDIANA



YOU and 1934

Are you planning for 1934? Consider these points: (1) Good, solid, productive territory in Iowa, Minnesota and Nebraska; (2) Personal, interested field help by experienced home office officials; (3) A complete line of modern policies; and (4) A 27-year record of service to agent and policyholder. These mean opportunity for YOU. Write.

Net policy reserves over \$3,751,000.00.

The Old Line Cedar Rapids Life INSURANCE COMPANY

Cedar Rapids, Iowa

Colonel C. B. Robbins, President
C. B. Svoboda, Secy.—Jay G. Sigmund, Vice-Pres. & Agency Director

company's future, was the note of Mr. Carpenter's talk. With Texas and its natural resources as a background, he expects the company to grow right along with the state. Merchants have experienced better business in the past few months than they have in four years and the period of 1934 will see unprecedented growth and revival of general business, he declared. This will open up new fields for insurance as well as other business.

Mr. Mitchell spoke chiefly to the novices in the company, encouraging them to set a definite mark and realize that it is an index to their efficiency. As an indication of the improvement in economic conditions, he presented the reduction in the number of small claims and the lessening of insistence with which they are pressed.

The afternoon session, at which Layton Stroud presided, was taken up with general discussion of questions brought up by the agents.

The agents qualifying left for Mexico City immediately after the convention. About 35 agents and their wives made this trip, in addition to a number of company officials.

Trinity Life Agents Pledge \$8,000,000 for Coming Year

FORT WORTH, TEX., Jan. 4.—Approximately 60 agents, representing one-third the field force of the Trinity Life of Fort Worth, attended the annual sales convention here Dec. 29.

J. R. Ray, manager Fort Worth agency, presided and A. P. Barrett, a director, gave the address of welcome and J. R. Dowell of Amarillo responded.

As a New Year's surprise, President A. Morgan Duke was presented with applications for more than \$80,000. In outlining the progress of the company, which is beginning its third year in its Fort Worth home, Mr. Duke said the written business increased in 1933 and

pointed to 1934 as a successful business year.

Pledges and quotas were asked of the agents present and the response was \$8,200,000. Other plans for the new year include an "app-a-week" club and a \$100,000 club. Eleven men were presented awards in recognition of outstanding business produced the past 60 days.

Speakers included J. R. Plummer, secretary-treasurer; Joe Woodward, assistant secretary; Butler Smiser, J. R. Ray, Sam Emerson, Jr., manager government personnel division, and T. J. Moody, agency director.

General Agents of Mutual Trust Life in Conference

Thirty-five general agents of the Mutual Trust Life are in Chicago this week for a two-day conference with head office officials. The company has just closed a year in which its already sound financial position has been strengthened by substantial increases in the cash and government bond accounts.

Vice-president A. B. Slattengren presided at the sessions yesterday morning. The first speaker was President Edwin A. Olson, who was followed by I. L. Grimes, secretary and actuary. Other speakers at that session were O. D. Olson, vice-president and treasurer, C. W. Noble, agency director, and B. N. Woodson, Jr., agency secretary.

A banquet was held last evening, at which announcement was made of a new award, the president's trophy, to be given at the end of each quarter to the agency whose business exceeds its quota for that period by the greatest percentage.

Service buttons were awarded to a number of the men, 25 year buttons going to John H. Ehn, general agent at Hartford, and Vice-president Slattengren.

O. I. Hertsgaard, general agent at

Minneapolis, was presented with a 20-year button.

Mr. Noble is chairman of Friday's sessions. The speakers include Gilbert Knudtson, Los Angeles, L. R. Lunoe, Boston, manager eastern department, Mr. Slattengren, Mr. Ehn, President Olson and H. E. Beckman of Rockford, Ill., whose 1933 record exceeded 1932 by the greatest percentage of any of the Mutual Trust agencies.

Guardian Managers Meet

The annual managers' meeting of the Guardian Life of New York will be held at the Traymore hotel, Atlantic City, Jan. 17-19.

Agencies in Joint Meeting

Representatives of the Oklahoma and Wichita, Kan., agencies of the Pacific Mutual Life met in Oklahoma City for discussion of plans and sales methods for the new year. Speakers included L. C. Swinney, general agent, J. A. Meyers, H. J. Stewart and R. A. Schroder, Wichita; W. R. Hoefflin, Los Angeles;

Form Utah Insurance Council

R. W. Anderson, Sun Life of Canada, Heads New Organization to Administer Code

SALT LAKE CITY, UTAH, Jan. 4.—Permanent organization of the Utah Insurance Council formed to work in connection with the administration of the Utah code of fair practices for the insurance business, has been effected. R. W. Anderson, Sun Life of Canada, was chosen chairman; James Rogers, Rogers-Evans Company, vice-chairman; T. W. Muir, Selbach Insurance Agency, treasurer, and A. P. Bradley, Hogle Investment Company, secretary. All are from Salt Lake City.

Cleveland General Agents Launch New Organization

CLEVELAND, Jan. 4.—At a meeting of the general agents' group of the Cleveland Life Underwriters Association, a permanent organization was formed with the following officers: President, C. R. Walker, Equitable of Iowa; vice-president, H. G. Wischmeyer, John Hancock; treasurer, D. C. Dickson, Guardian Life; secretary, George Thobaben, secretary Cleveland Life Underwriters Association.

The governing committee includes the officers, E. W. Snyder, Massachusetts Mutual, and E. W. Brailey, New England Mutual, president Cleveland Life Underwriters Association. The committee is now at work preparing by-laws and setting up organization machinery.

To Turn Over All Assets

Formal order has been given Receiver Abel Davis of the Illinois Life to turn over assets and real estate holdings to the Central Life of Des Moines, which reinsured the company on a management basis. Directors of the Illinois Life were instructed to meet and approve the final acts in carrying out the rein-

Rex Rafferty, Chicago; J. Baumann, Fort Worth; F. L. Sveska, Omaha; S. M. Murrell, Dallas; C. H. Bryant, Tulsa; Miss Corrine Breeding and M. C. White, Oklahoma City.

'Phone Talks Feature Meeting

A special telephone broadcast by home office officials of the National Life of Des Moines featured a regional gathering of 33 Missouri and Illinois general agents in St. Louis. President William Koch personally attended the gathering and discussed plans for 1934. Telephone talks were made by six other home office executives.

Provident General Agents to Meet

The annual convention of the General Agents Association of the Provident Mutual will be held in Atlantic City Feb. 6-8. Inspirational and educational talks will be made by the company officials and general agents. The program will be arranged so that those in attendance may enjoy recreational pleasures while at the shore resort.

insurance contract. Receiver Davis is being retained to assist in liquidating certain Illinois Life assets.

Heed New General Agent

Rushmore B. Heed has been appointed general agent of the United Mutual Life of Indianapolis in Cook county, Ill., and five adjacent counties. His headquarters are in 208 South La Salle street, Chicago. Mr. Heed for some time was connected with the American Life of Detroit in Chicago.

Greater New York Nominees

The nominating committee of the Life Managers Association of Greater New York has recommended the following slate, which will be voted on at the February meeting: President, E. W. Allen, New England Mutual; vice-president, L. A. Cerf, Jr., Fidelity Mutual, and secretary-treasurer, W. J. Dunsmore, Equitable Life N. Y. Committee chairmen are: Rebating: Frank W. Pennell, State Mutual; twisting, C. E. DeLong, Mutual Benefit; proselytizing of agents, H. A. Schmidt, New England Mutual; misleading comparisons, Ben Hyde, Penn Mutual; membership, Wm. R. Collins, Travelers.

New England Mutual Report

President G. W. Smith of the New England Mutual reports that the company in 1933 exceeded 1932 paid new business by \$2,300,000, or 2 percent. There was a gain in December alone of \$1,500,000.

Edward A. Woods Agency Party

Employees and agents of the Edward A. Woods Company, general agents of the Equitable Life of New York in Pittsburgh, held a Christmas party.

The agency reports a steady increase and states that business is on the upward trend.

Revive Detroit Group

DETROIT, Jan. 4.—A movement has been launched to revive the Detroit Life Insurance Supervisors' Association. A meeting will be held Jan. 8 at which officers will be elected to carry on the organization.

Stockton Made Direct Branch

The Pacific Mutual Life has made its Stockton, Cal., office a direct branch of the home office in Los Angeles. E. M. Sweet, general agent at Stockton, will hereafter devote his time exclusively to his personal clientele.

Ben F. Shapiro, general agent of the Penn Mutual Life in San Francisco, at an agency meeting Jan. 2 predicted that 1934 will show a decided improvement for agents. F. V. Keesling, vice-president West Coast Life, also spoke.

AN OLD-LINE LEGAL RESERVE COMPANY



EXTRA Reserves

A surplus of nearly Two Million Dollars is maintained today for the added protection of Yeomen Mutual Life policyholders, this in addition to the required legal reserve of more than Twenty-Two Million Dollars. From current income since March, 1933, there has been invested more than \$825,000.00 in U. S. Government Bonds.

A company with such a financial setup—and a vigorous expansion program—invites the consideration of men who want to forge ahead in the insurance business. Write.

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Rates From \$2.00

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Provident's Net Costs Given

Increase of 7.5% in New Schedule Based on Lower 1934 Dividend Scale Is Shown

The Provident Mutual Life has issued a new schedule of net costs based on its reduced dividend scale for 1934, representing an increase of about 7.5 percent in net costs. Net cost data for the main policies are given below followed by the estimated dividends for the Provident Protector policy:

Ordinary Life						
Age	Prem.	1	5	10	15	20
20...	15.50	12.88	12.63	12.14	11.63	11.17
21...	15.83	13.21	12.92	12.41	11.90	11.46
22...	16.20	13.57	13.25	12.71	12.21	11.79
23...	16.57	13.95	13.60	13.04	12.55	12.14
24...	16.97	14.33	13.93	13.38	12.91	12.49
25...	17.36	14.73	14.29	13.76	13.30	12.87
26...	17.80	15.15	14.69	14.17	13.71	13.27
27...	18.26	15.58	15.11	14.59	14.15	13.67
28...	18.73	16.01	15.54	15.03	14.60	14.08
29...	19.23	16.46	16.00	15.51	15.08	14.51
30...	19.77	16.95	16.51	16.03	15.59	14.98
31...	20.34	17.47	17.05	16.58	16.13	15.45
32...	20.91	18.01	17.61	17.15	16.68	15.91
33...	21.53	18.61	18.22	17.76	17.26	16.41
34...	22.20	19.25	18.87	18.41	17.84	16.90
35...	22.92	19.97	19.58	19.12	18.47	17.45
36...	23.63	20.71	20.32	19.85	19.11	18.02
37...	24.40	21.49	21.08	20.59	19.77	18.62
38...	25.24	22.34	21.93	21.39	20.49	19.28
39...	26.10	23.26	22.84	22.23	21.24	19.99
40...	27.02	24.22	23.80	23.10	22.02	20.72
41...	28.03	25.26	24.81	24.03	22.85	21.53
42...	29.04	26.32	25.85	25.08	23.78	22.36
43...	30.17	27.47	26.96	26.26	24.80	23.27
44...	31.34	28.69	28.13	27.06	25.69	24.24
45...	32.61	29.96	29.33	28.15	26.76	25.27
46...	33.93	31.33	30.62	29.35	27.91	26.41
47...	35.37	32.76	31.98	30.61	29.13	27.63
48...	36.89	34.29	33.43	31.99	30.46	28.97
49...	38.50	35.92	34.96	33.47	31.88	30.39
50...	40.23	37.64	36.58	35.03	33.39	31.94
51...	42.07	39.46	38.30	36.69	35.02	33.60
52...	44.03	41.40	40.16	38.47	37.59	35.42
53...	46.13	43.42	42.10	40.35	39.66	37.37
54...	48.36	45.61	44.21	42.40	41.78	39.44
55...	50.75	47.99	46.43	44.58	43.93	41.86
56...	53.30	50.31	48.79	46.88	46.29	44.38
57...	56.01	52.91	51.33	49.40	47.86	46.77
58...	58.91	55.65	54.03	52.09	50.63	49.30
59...	62.04	58.61	56.95	55.02	53.65	52.04
60...	65.35	61.76	60.08	58.17	56.93	54.97
61...	68.90	65.15	63.40	61.58	60.46	58.97
62...	72.71	68.77	66.98	65.24	63.87	61.44
63...	76.80	72.69	70.87	69.21	67.60	65.09
64...	81.16	76.87	75.05	73.48	71.53	68.94
65...	85.85	81.38	79.57	78.08	75.75	73.16

20-Year Endowment						
Age	Prem.	1	5	10	15	20
20...	42.83	40.29	39.37	37.93	36.35	34.61
21...	42.89	40.36	39.41	37.97	36.41	34.69
22...	42.97	40.43	39.47	38.02	36.49	34.78
23...	43.05	40.51	39.52	38.09	36.58	34.88
24...	43.13	40.59	39.57	38.16	36.67	34.98
25...	43.21	40.65	39.62	38.23	36.76	35.09
26...	43.29	40.74	39.68	38.30	36.85	35.21
27...	43.37	40.81	39.76	38.43	37.01	35.34
28...	43.45	40.87	39.84	38.54	37.13	35.47
29...	43.53	40.94	39.93	38.66	37.27	35.61
30...	43.76	41.03	40.06	38.81	37.42	35.77
31...	43.97	41.13	40.19	38.96	37.58	35.94
32...	44.06	41.26	40.34	39.14	37.76	36.13
33...	44.22	41.39	40.50	39.31	37.92	36.32
34...	44.42	41.58	40.70	39.53	38.13	36.55
35...	44.62	41.78	40.92	39.77	38.35	36.88
36...	44.84	42.00	41.16	40.02	38.57	37.06
37...	45.10	42.26	41.43	40.29	38.81	37.35
38...	45.38	42.57	41.73	40.59	39.09	37.68
39...	45.68	42.89	42.07	40.88	39.37	38.03
40...	46.03	43.29	42.47	41.21	39.70	38.44
41...	46.41	43.69	42.89	41.55	40.05	38.87
42...	46.84	44.17	43.36	41.95	40.47	39.37
43...	47.31	44.67	43.83	42.37	40.89	39.90
44...	47.85	45.25	44.37	42.87	41.40	40.51
45...	48.44	45.87	44.92	43.41	41.94	41.16
46...	49.09	46.56	45.53	44.01	42.55	41.89
47...	49.84	47.32	46.22	44.67	43.24	42.68
48...	50.65	48.15	46.99	45.41	44.00	43.54
49...	51.56	49.05	47.84	46.23	44.86	44.49
50...	52.56	50.03	48.77	47.12	45.78	45.51
51...	53.68	51.12	49.80	48.11	46.82	46.63
52...	54.91	52.31	50.94	49.21	47.98	47.85
53...	56.28	53.61	52.18	50.43	49.26	49.17
54...	57.77	55.04	53.56	51.80	50.70	50.64
55...	59.44	56.62	55.09	53.32	52.30	52.26
56...	61.26	58.32	56.74	54.96	54.05	54.04
57...	63.26	60.19	58.59	56.80	55.99	55.99
58...	65.46	62.25	60.61	58.84	58.14	58.14
59...	67.88	64.50	62.84	61.09	60.50	60.50
60...	70.53	66.99	65.33	63.61	63.05	63.05
61...	73.43	69.72	67.99	66.37	65.80	65.80
62...	76.61	72.71	70.95	69.42	68.79	68.79
63...	80.10	76.02	74.24	72.79	72.04	72.04
64...	83.90	79.64	77.86	76.48	75.50	75.50
65...	88.07	83.62	81.86	80.55	79.23	79.23

20-Payment Life

Net Cost For Yr.						
Age	Prem.	1	5	10	15	20
20...	23.28	20.69	20.25	19.49	18.67	17.85
21...	23.67	21.07	20.61	19.81	19.00	18.20
22...	24.07	21.46	20.97	20.15	19.35	18.57
23...	24.47	21.87	21.34	20.52	19.72	18.94
24...	24.91	22.30	21.73	20.91	20.12	19.33
25...	25.35	22.75	22.12	21.32	20.55	19.74
26...	25.81	23.18	22.53	21.74	20.99	20.16
27...	26.29	23.63	22.96	22.19	21.44	20.59
28...	26.79	24.10	23.43	22.67	21.92	21.04
29...	27.31	24.57	23.92	23.17	22.42	21.50
30...	27.85	25.06	24.44	23.70	22.94	21.98
31...	28.43	25.59	24.99	24.27	23.48	22.47
32...	29.01	26.14	25.55	24.85	24.03	22.98
33...	29.62	26.72	26.15	25.45	24.60	23.49
34...	30.27	27.36	26.80	26.09	25.20	24.04
35...	30.95	28.05	27.49	26.78	25.84	24.62
36...	31.65	28.77	28.20	27.47	26.47	25.22
37...	32.38	29.51	28.94	28.18	27.12	25.85
38...	33.16	30.31	29.74	28.92	27.81	26.51
39...	33.96	31.16	30.59	29.71	28.53	27.23
40...	34.82	32.04	31.45	30.53	29.27	27.99
41...	35.71	32.97	32.36	31.37	30.05	28.79
42...	36.66	33.95	33.32	32.25	30.88	29.63
43...	37.66	34.98	34.31	33.16	31.76	30.53
44...	38.71	36.07	35.35	34.12	32.69	31.49
45...	39.83	37.21	36.44	35.10	33.67	32.51
46...	41.00	38.42	37.58	36.18	34.72	33.60
47...	42.26	39.70	38.78	37.32	35.84	34.80
48...	43.59	41.04	40.04	38.54	37.04	36.09
49...	45.00	42.46	41.38	39.82	38.32	37.48
50...	46.50	43.94	42.78	41.17	39.69	38.95
51...	48.11	45.53	44.29	42.64	41.16	40.56
52...	49.82	47.20	45.89	44.19	42.74	42.23
53...	51.63	48.95	47.66	45.83	44.42	44.03
54...	53.58	50.83	49.38	47.61	46.25	45.95
55...	55.66	52.82	51.32	49.51	48.22	48.00
56...	57.91	54.94	53.39	51.55	50.38	50.21
57...	60.29	57.21	55.62	53.76	52.66	52.59
58...	62.86	59.62	58.00	56.15	55.14	55.11
59...	65.63	62.23	60.58	58.75	57.85	57.83
60...	68.60	65.05	63.36	61.58	60.80	60.73

25-Payment Life

Net Cost For Yr.						
Age	Prem.	1	5	10	15	20
20...	\$0.53	\$7.92	\$7.54	\$6.89	\$6.18	\$5.49
25...	22.38	19.74	19.21	18.51	17.85	17.19
30...	24.66	21.84	21.31	20.67	20.03	19.21
35...	27.51	24.64	24.07	23.50	22.76	21.57
40...	31.18	28.38	27.87	27.06	25.88	24.60
45...	32.61	29.96	29.33	28.15	26.75	25.27
50...	42.83	40.24	39.14	37.57	36.00	34.84
55...	52.36	49.48	48.04	46.19	44.66	43.26

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NEWS OF LIFE ASSOCIATIONS

Keating Minneapolis Chief

Equitable Life of New York Man
 Elected President of Life Under-
 writers Association for 1934

MINNEAPOLIS, Jan. 4.—Edward H. Keating, Equitable Life of New York, is the new president of the Minneapolis Association of Life Underwriters for 1934, succeeding O. I. Hertsgaard, Mutual Trust Life, who becomes a member of the executive committee. Joyce A. Thomas, Mutual Life of New York, was elected vice-president; Howard L. DeVries, secretary, and C. N. Patterson, treasurer.

Akron, O.—A. R. Jaqua, associate editor "Diamond Life Bulletins," in addressing the December meeting, explained the technique of analyzing insurance situations by more or less mechanical means. Sheets were passed out and each one in the audience was instructed to specify the number of insurance needs indicated by the case outlined. As few as three situations were mentioned and as many as 14. Actually there were 18 possibilities.

Mr. Jaqua expressed the belief that a man does not become a really good life insurance salesman until he has personally experienced some of the heart-breaks and discouragements that only life insurance can prevent.

Among the speakers scheduled for future meetings are George Lackey of Detroit, Paul Spelcher of Indianapolis, Holgar Johnson of Pittsburgh, and J. S. Drewry of Cincinnati.

Little Rock, Ark.—Roy Mitchell, Mutual Life of New York, was elected president; Fred Poe, Fidelity Mutual, vice-president, and Ora Massey, John Hancock, secretary-treasurer.

J. T. Thompson, state manager Mutual Life of New York, spoke on "Are You in Scoring Position?" He was optimistic over business prospects for 1934.

Western Ohio—The December meeting was a "stag party" and dinner, after which Russell Moore, supervisor Midland Mutual Life, Columbus, gave three life insurance sales presentations and one on annuities.

Cedar Rapids, Ia.—M. M. Thompson, Aetna Life, has been elected president to succeed C. V. Shepherd. Carl Mizener is first vice-president; A. W. Carlton, second vice-president; W. J. Nazerka, secretary, and Rudy Weber, treasurer. Directors are C. V. Shepherd, C. W. Cottingham, I. T. Carrithers, Henry Files, Wallace Darling and M. G. Fox.

Cleveland—Gordon Nairn, field supervisor of the Canadian association, will speak Jan. 20 on "Developments in Canadian Life Insurance."

Colorado—Membership dues were revised at the December meeting in Denver. All general agents and managers producing \$300,000 or more a year will be assessed \$15 annually and others \$6 per year. The former schedule of dues for general agents and managers was \$35, \$25 and \$15, being based on a graduated scale of production. Denver solicitors' dues of \$6 is continued, but the dues of members outside of Denver have been increased from \$4 each to \$5.

The Colorado association is sponsoring essay contests on life insurance open to

members of the Colorado Federation of Women's Clubs and junior high school students. It ends April 10 and there are cash prizes.

Montreal—G. H. Beaudry, Imperial Life, was elected president at the annual meeting. The offices of first and second vice-presidents went to A. D. Poitras, Sun Life, and G. F. French, London Life. J. A. Fournier, Mutual Life of Canada, was elected treasurer. Directors are: R. E. Bliss, A. H. Ilsey, H. F. McAdams, J. N. Bellin, A. G. Brewer, J. B. Hamilton and G. M. Burn.

Winnipeg, Can.—At the annual meeting H. Haldern was elected president; M. D. Grant, honorary president; P. V. Bond, vice-president; E. H. Olmstead, secretary, and G. P. Weir, treasurer. A. Thorndycraft, N. E. McLeod, W. Gates, H. Hook, R. Gay and E. G. Cass were elected executive committeemen.

Baton Rouge, La.—O'Neill Barrett of Virginia, was elected president; R. G. Hale, Great Southern Life, vice-president; T. B. Bennett, Manhattan Life, secretary, and B. S. Mayer, Union Central Life, treasurer.

President Barrett also heads the executive committee, which includes, besides the officers, W. S. Berwick, Life & Casualty; F. L. Barrow, Pan-American; G. S. Reddy, Penn Mutual; Lee Herzberg, Equitable Life; E. L. Jordan, New York Life, and H. P. Roy, Metropolitan.

The prize winners in the essay contest sponsored by the association were announced. The subject was "Life Insurance: What It Is and What It Does," and 2,200 school pupils submitted papers.

CHICAGO NEWS

STARTS ANNUAL SCHOOL

The Samuel Heifetz agency of the Mutual Life of New York in Chicago will start its annual sales training course Jan. 9. Classes will be held Tuesday and Thursday evenings over a period of four weeks in the assembly hall of the agency from 6:30 to 8 p. m. The course is open to all men and women not representing other life companies.

MEYER AGENCY CELEBRATES

Julius H. Meyer, Chicago general agent New England Mutual, tendered his agency staff a dinner in celebration of his 30 years' continuous service with that company. He signed his first contract with the company in Milwaukee and on Jan. 1 celebrated his 25th anniversary as general agent. He started in Chicago from scratch and continuously progressed, leading every other agency of the company in average size of policies. Vice-president George L. Hunt in a letter commemorating the anniversary stated he was doubtful if any of the company's agencies of comparable size have exceeded Mr. Meyer's record. The Meyer agency has written the largest percentage of annual premium-paying business of any New England Mutual agency. The record, Vice-president Hunt stated, shows fine selection and training of agents. The agency was one of the

first extensively to use the settlement options in policies to insure not only protection but a living income for a guaranteed period to the surviving widows and children.

AGENCY NEWS

Zimmerman Agency Roundup

Newark, N. J., Organization of the Connecticut Mutual Life Gives Good Account of Itself

The C. J. Zimmerman agency of the Connecticut Mutual Life in Newark paid for more than \$3,000,000 in 1933, a gain of 33 percent over 1932. Since July it has been among the five leaders nation-wide and won every agency contest held by the company last year.

An all-day sales congress was held Jan. 2 at which the principal speaker was George Smith, assistant superintendent of agencies.

G. J. Gold was announced as the agency leader for the second consecutive year. Emanuel Shavitz secured the honors for consecutive weekly production with a perfect record of 52 consecutive weeks and over 150 applications. G. W. Gordon was given the efficiency cup as having done the best all-round job. D. S. Henderson got the conservation cup, he having the lowest lapse ratio on his business. R. J. Foster was given the award for the greatest improvement.

The agency was awarded a cup by the Northern New Jersey Life Underwriters Association for the best showing in number of paid applications during financial independence week. Mr. Gold was awarded a cup by the association the same week, making the best individual record in number of applications.

Agency Sales Congresses

State Mutual Life Arranged for Conferences at Two of Its General Agencies

Agency sales congresses were held by two offices of the State Mutual Life last week. The T. M. Searles agency at Newark was addressed by A. E. N. Gray, assistant secretary Prudential, Donald G. Mix, assistant superintendent of agencies of the State Mutual. Other speakers were J. W. Thompson, Jr., B. M. Quillin, William Munson, W. E. Davies and Peter Castricum, all of the Searles agency, and Mr. Searles himself.

At the E. L. Beesley agency meeting in Syracuse, T. W. Foley, branch manager of the F. W. Pennell (New York City) agency, and William Rankin, one of the company's leading producers in Philadelphia, were among the outside speakers.

The annual meeting of the company will take place Jan. 16 at the home office. The meeting usually draws many general agents.

The Excelsior Life of Canada has appointed W. D. Rutherford as manager at Hamilton, Ont., with offices in the Terminal building. He has had 15 years experience in life insurance and is a C. L. U.

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THE LINCOLN NATIONAL LIFE
 INSURANCE COMPANY FT. WAYNE
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MODERN BUSINESS-GETTING METHODS

Intelligence, Self-Organization and Energy Given As 1934 Formula in Symposium of Practical Views

The way to get increased business in 1934 is through self-organization, time control, intelligent prospecting and planning, and becoming better informed about life insurance, six speakers told members of the Chicago Association of Life Underwriters in the December meeting. This was a symposium of practical views on what to say and do this year. P. G. Dallwig, New England Mutual, vice-president of the association, presided.

Self-organization is a vital factor, said Helen Thomas, C. L. U., Equitable of New York. She said underwriting hours should represent 50 percent and service hours 5 percent. What is needed is to eliminate the spending of 50 percent of the agent's time on the 5 percent business.

Original Chart Helps Agent Organize Work

She presented a chart which she said is helpful in organizing the job. It consists of five vertical columns, in the first being entered the names of 100 or more prospects. When information is secured as to financial setup and needs of a prospect, his name is entered in the second column, likewise with the third column when contact is made, fourth column when the application and policy are in transit and the fifth column when the business is closed up.

Miss Thomas then works backward from this chart. She said income of the immediate future will come from prospects whose names are in the fourth column. This will disclose where the agent should concentrate his activities.

After the fourth column is disposed of, prospects in the third column should be worked on, and so forth. The effort is to move the names progressively from the first to fifth columns, and to maintain a proper proportion in each so the agent may employ his time fully, efficiently and profitably.

R. J. Darby, trust officer, State Bank

& Trust Co., Evanston, Ill., said most men dislike to make or discuss wills when their finances are not in good shape. He has found in the last four years many estates frozen solidly. In many cases it has been necessary to sell securities and property at great sacrifice in order to pay taxes and claims. Estates have been so involved that even in case of specific bequests in wills, children received no part of the estates. Even tax collectors who stand in preferred positions as creditors could not get any money.

Mr. Darby said in many such cases the problem of liquidating the estate and furnishing money on which to run could have been solved by life insurance. What is needed in most cases is more liquid assets, more proceeds readily available with which to preserve frozen assets. He said the woods are full of such cases and life agents would be wise to bring the point up with every prospect.

Speaks for Consecutive Production, Small Cases

F. A. Snell of the Patterson agency, Penn Mutual, in Chicago, a comparatively new agent, said one of the greatest aids to success in selling life insurance is concentration on consecutive weekly production. He spoke for a systematic policy of soliciting more cases under \$5,000 and noted a definite trend toward annuities.

J. H. Brennan, Fidelity Mutual, who for seven years has written one or more applications a week, said agents must become better informed about the business. They must be energetic and apply intelligent methods. He said the public is better informed about life insurance, but the average life agent is not. The people in future will not buy merely life policies, but instead, will take them to carry out their financial plans and needs. He urged that agents give their prospects good reasons for buying the life insurance, when, if the prospects are

convinced, they will find a way to pay the premium.

Raymond Frank of the Wiese agency State Mutual, Chicago, who led that office in 1932 and 1933, both for number of applications and paid for business, presented a number of "don'ts" which he said will govern him in 1934. He refuses to be concerned about the value of the dollar, or much concerned about economic and political conditions. He refuses to worry about financial conditions in this country or about what other life companies are doing in the way of dividends, greater surrender charges, etc. He will not permit anything or anyone, he says, to shatter his confidence in the country, his company and himself.

Mr. Frank said recently he tore up approximately 150 old prospect cards because he wanted to see some new faces in 1934, and regardless of the fact that these names undoubtedly represented considerable business which eventually he could write. Mr. Frank said his prospecting in 1934 is to be more selective, and he intends to organize himself more efficiently.

He pointed that the \$14,000,000,000 reduction of insurance in force from the high point of \$109,000,000,000 is a challenge to all agents. It represents former policyholders who have been sold on the idea of life insurance and need only be shown how to carry it.

New Income Tax Decision Stimulates Annuity Sales

Nathaniel Seefurth of the Seefurth Service urged the agents to keep informed, to take the monotony out of their business and to be specific in their statements to prospects. They should spend time thinking of the selling process. They must interest people in interviews to the point where the prospects will be more open minded in talking over their problems.

He mentioned a federal income tax ruling by the U. S. circuit court of appeals in December, which offers fine opportunity for selling annuities. He said under this ruling an annuity purchased by a husband for his wife or other beneficiaries is not subject to income tax, whereas if the money were left in trust with an arrangement to pay

C. L. U.

Detroit's C. L. U. class, under direction of F. L. Klingbeil, Prudential ordinary manager, has completed its course in business economics and on Jan. 7 begins a series of four sessions in sociology under Professor Fisher of the University of Michigan.

* * *

C. L. U. study classes are to be conducted in San Francisco and Oakland by the University of California extension division, commencing Jan. 8. A. H. Mowbray, professor of insurance at the university and consulting actuary of the California department, is to conduct the classes. Arrangements are in charge of Ted Dreyer, Pacific Mutual, and Gerald Whitaker, Travelers.

an income, this would be taxable. In the case of the annuity left to wife, children or other members of the immediate family, the only tax payable would be the gift tax on the cost of the annuity, and no inheritance or income tax.

The treasury department long since, Mr. Seefurth said, has ruled that there is no tax payable on the income optional settlement in life contracts, whereas when the proceeds are left at interest, the interest is taxed as income.

Mr. Dallwig announced that C. L. U. classes on the first three parts of the C. L. U. work will start in Northwestern university Feb. 2. There will be 30 two-hour classes. Caleb Smith, leading producer of the Massachusetts Mutual in Ann Arbor, Mich., will speak at the January meeting of the association, Jan. 26, on "The Agent's Time."

Boston Council Conference

BOSTON, Jan. 4.—The Boston Life Insurance Trust Council will hold an all-day conference Jan. 23. Leon Gilbert Simon, New York City business insurance expert of the Equitable Life of New York; F. P. Mackenzie, Central Hanover Bank & Trust Company of New York City, and C. C. Gilman, Boston, with the National Life of Vermont, will be the principal speakers.

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HARRY L. SEAY, President
HOME OFFICE DALLAS, TEXAS

Life Insurance and a New Gold Basis

(CONTINUED FROM PAGE 1)

mined and there would be great political pressure to start the printing presses.

Mr. Linton said the administration seeks to avoid a situation of that kind, but an artificial rise in prices through currency manipulation would greatly increase the probability that it could not be avoided.

Mr. Linton took issue with those who contend that the life insurance interests should keep silent about the effect of drastic inflation upon the 65,000,000 policyholders. Persons of this belief fear that policyholders might lose faith in life insurance.

Knowledge of Facts

Mr. Linton said that as life insurance goes, so goes the nation. If the carefully managed, conservative institution of life insurance, which has weathered the depression so magnificently, which has its roots deep in the economic life of the United States, is going to be severely damaged, the very foundation of the social order will be undermined. The answer is not the suppression of facts but a widespread knowledge of them so that the great force of public opinion will keep the people from the precipice.

Mr. Linton expressed the belief that President Roosevelt would welcome the dissemination of knowledge of the perils of drastic inflation. He is aware of these dangers, but he is subject to pressure from those who insist that something radical be done without realizing the destructive forces that would be set loose.

The President is a master hand at politics and stands an excellent chance of winning out on fundamentals should there be a showdown with the political forces seeking drastic inflation. By that time, the influence of the millions of policyholders should be a constructive force, upholding his hands in favor of the sound policies that will lead to recovery.

Encouraging Annuity Views Expressed by Professor

(CONTINUED FROM PAGE 1)

tically every company has raised its annuity premiums or reduced the annuity income from the same amount of premium. Some actuaries believe the new rates are still too low. However, if there is an increased longevity of annuitants, there is likely to be an increased longevity of insurance policyholders. This will be something of a hedge.

Interest Return Factor

Interest return is difficult to predict. With more and more federal financing, companies may have to depend more and more on government securities, which means a comparatively low rate of return. Annuities are long term contracts, however, and low yields in one period may be offset in another.

So far as the cash position is concerned, Mr. Bowers pointed out that nearly 28 percent of the annuities at present are free from cash withdrawals. Over 59 percent more will not develop large cash values for some time because they are of the annual or multiple premium type. In time, all deferred annuities, if the cash values are left intact, will become payable on a monthly basis, and then there can be no demands for cash values.

Reaction of Annuitants

Some insurance executives believe that people who have a margin for investment during the depression or who are interested in old age security, instead of withdrawing their funds when the next depression comes, may again be looking for a safe place and will pay into the company more than they will

withdraw. On the other hand, there is the fact that people are most likely to withdraw their funds when business is most depressed, either because of urgent need for cash or because of the opportunity to buy property or stocks on a low market. In any event, the annuity business of most companies is still so small in relation to total business that the problem is not immediately important.

Even though cash withdrawals probably will not prove to be embarrassing, an annuity, it must be remembered, is a device to liquidate an estate and requires an added margin of liquidity for the company responsible for making the payments, a fact which usually is at variance with a fairly high rate of return. When annuities now being sold start in earnest, the companies will have to be prepared to pay out a steady stream of cash and only then can the significance of the problem be judged. The dangers of currency manipulation in the next 50 years are of far greater import than what the life companies may or may not do.

Prospecting Still Is a Major Problem for Most Life Men

(CONTINUED FROM PAGE 1)

ber of calls and interviews, employing a carefully worded approach and canvass designed to qualify the person quickly.

Entirely too many agents have their eyes on that elusive "pot of gold" at the end of the rainbow, the \$25,000 or \$50,000 or \$100,000 case that will square up all the bills and put the agent over the hill. Some of these are being written, but in the experience of one great agency in a seven months period, of some 1,600 cases paid for, only about ten were \$25,000 and only four as much as \$50,000.

The agents who have come well through the last four years have done so on small cases. A "millionaire" producer who has an unbroken record of over 20 years in that select bracket had a record of third in his company for greatest number of paid cases in one month, fifth for a half year, and first in the central west for half a year. His policies are averaging around \$5,000, where formerly in good times he thought nothing of a \$100,000 case.

Agents as a rule do not read their daily newspapers with a "life insurance" eye. They sometimes note marriages, deaths, promotions, etc., but an obscure note indicating prosperity, present or in the future, for an industry or classification of individuals easily escapes notice. There is new business daily in the newspapers for the agent with imagination and initiative.

One general agent urges that wholesalers at present are good prospects, for they are enjoying increased valuations and profits on inventories. Retailers, on the other hand, as a rule have not had sufficiently greater sales to take them out of the class of doubtful prospects.

The NRA program is making prospects—many small ones, it is true. But even the minimum wage scales are elevating some men to the point where they can take a little life insurance.

There are signs that the much maligned veteran agents, who as a class suffered most in the depression and were reported unable to adjust themselves to changed conditions and merchandising methods, are staging a recovery. In one large agency which does a great deal of recruiting, the large part of the business last year was written by old organization.

In another company, veterans made some real sales history last year. The veteran has at least this advantage—the benefit of a full experience in life insurance sales psychology. He knows how and when to pull out the tremolo stop, when to be crisp and business-like. He needs merely adjustment of his philosophy and correction of mental attitude when he will begin to bat in the home runs.

Quarterly premiums were something

Allison and Jasper Leaving "Field"

Announcement is made this week by the "Insurance Field" of Louisville that Young E. Allison, Jr., president, and John J. Jasper, managing editor, both being directors of the Insurance Field Company, have resigned but will remain with the publication in editorial capacities pending the necessary rearrangement of the staff. Both are prominently known in the business and rank high in the trade newspaper press. Mr. Allison's father, the late Young E. Allison, was the founder of the "Insurance Field" following his retirement from the old "Insurance Herald."

Mr. Allison joined the staff of the "Insurance Field" in 1914 at Chicago and served later in San Francisco and New

York as associate editor until the end of 1917. After two and one-half years as advertising manager of the America Fore group he returned to the "Insurance Field" in 1920 as associate editor at New York, was transferred to the Louisville office in 1924, later being made managing editor and executive vice-president, and in 1930 was elected president.

Mr. Jasper joined the "Insurance Field" in 1925 at Chicago and the same year was transferred to New York, where he later became associate editor. In 1928 he went to the Louisville office as managing editor and has held that post ever since. He has been a familiar figure at many conventions.

Pan-American Life Statement

New Annual Figures Are Announced Showing the Company Is in Fine Shape

The Pan-American Life is one of the first companies to announce its new financial statement and thus it attracts unusual attention and will be studied before the great procession arrives. Its assets are now \$28,084,880 of which \$2,439,321 is real estate, \$10,693,935 mortgages, \$4,446,808 U. S. and other bonds, \$6,044,352 policy loans, \$2,053,409 premium notes, \$579,240 cash, \$968,000 uncollected and deferred premiums. There is a special reserve of \$241,587 for depreciation of securities. It then shows a policyholders' surplus of \$2,582,924. Its insurance in force is \$157,000,000. It has paid policyholders and beneficiaries since organization \$39,286,234. During 1933 death claims of \$2,525,090 were paid, including a single claim of \$825,000, one of the largest sums ever paid in the south.

The Pan-American Life is in most excellent financial condition and is highly regarded by the insurance fraternity and public. It is regarded as one of the progressive institutions of the country.

Acacia Mutual Gives Some Preliminary Annual Figures

The Acacia Mutual furnishes some interesting annual figures. Its new 1933 business was \$40,000,000, insurance in force \$347,000,000, death benefits \$2,100,000, dividends \$1,100,000, assets \$52,000,000, increase \$3,000,000, paid living policyholders \$3,100,000.

Select Jury Panel to Try Dorsey and His Associates

Selection of a jury was started in Chicago this week to try M. J. Dorsey and J. H. S. Lee, attorney, on charges of conspiracy to obtain \$1,550,000 by false pretenses. The charges grew out of Dorsey's domination of the Security Life of Chicago, now reinsured. Seven other men are under indictment in the case involving alleged attempt to foist a worthless mortgage on the Security and Northern States Life. The prosecution alleges these men conspired to arrange \$1,705,000 in mortgages on a vacant Waukegan, Ill., factory property said to be worth not more than \$150,000, and to dump the mortgages in the Security Life and Northern States Life, both controlled by the Dorsey interests. Both companies since have failed.

Munsick Takes Office

George Munsick, newly appointed financial secretary of the Connecticut Mutual Life, actively assumed his new duties this week. He will have general supervision of bond investments. He was formerly trust officer of the New York Trust Company.

of a problem last year for most men in the business, for it is the steepest part of the hill which already is four years long, and the quarterlies are far more numerous than ever. It is true they sell business which otherwise would not be placed, but few general agents can afford this year to advance much unearned commissions, nor do many companies do so. It is a simple calculation to determine how painfully long a time is required for an agent selling even as much as \$5,000 ordinary life a week on quarterly basis to get to the point where these abbreviated commissions are sustaining him.

This would be true even without declinations, and there were plenty of these in 1933. Companies are declining for financial reasons, when in the good old days they would have taken the risks without question, trusting to the good times to rectify any monetary deficiencies in the applicant's picture.

Honor Whitney at Banquet of Nylic Held in Chicago

Robert E. Whitney, inspector of agencies in the central department of the New York Life in Chicago, was honored at a testimonial banquet in that city, concluding a campaign in his honor which had lasted since Oct. 18. More than 600 agents took part. This was the annual NYLIC rally of the central department. It commemorated this year the 50th anniversary of Mr. Whitney's connection with the New York Life. The 11 Chicago branch offices reported \$13,764,545 new business. The Bankers Building branch led in percentage gain over quota, with the La Salle street branch second. Mr. Whitney was presented an engrossed testimonial by the agency directors, W. F. Stacker officiating. Mr. Whitney started with the New York Life in the home office agency department in 1883. Since he took charge of the central department, it has grown from \$11,518,568 production, to a peak of \$118,426,990 in 1929, when it comprised much more territory than at present. It is the only department to fill its top allotment for 20 consecutive years.

Shape Indiana Day Program

The program for Indiana Insurance Day, Jan. 30, is beginning to shape up. Among the speakers definitely pledged are H. E. McClain, Indiana commissioner and E. B. Thurman, Chicago general agent New England Mutual Life. Much interest is manifested in the meeting, as there are many common problems which it is planned to have covered in the program.

R. C. Griswold, Indianapolis manager Aetna Casualty, is chairman of Indiana Insurance Day by virtue of being vice-president of the Insurance Federation of Indiana, under whose auspices the day will be celebrated. C. O. Bray, Indiana special agent Hartford Fire, is president of the Indiana Federation.

RECENT COURT DECISIONS

Issue Over Clerical Error

Court Passes on Question Where Mistake Had Been Made at the Home Office

In *Mutual Life of Baltimore vs. Metzger* the Maryland circuit court No. 2 of Baltimore passed on the issue over a mistake of the clerk in issuing an industrial policy. The deceased applied for a policy of \$50 and by a clerical error in the insurance company office a policy was issued for \$500. On the assured's death the daughter, who was beneficiary, with option to the insurance company to pay the estate or undertaker or creditors, found the policy and arranged with the undertaker for the funeral and presented him with the policy. The funeral cost \$400. After the burial the company discovered its mistake. Suit was filed to reform the policy to \$50.

Reformation Is Refused

The court held that the bill should be dismissed for either one of two reasons under equitable maxims. The equities of the complainant are not of such character as to warrant it in using the equity court for the purpose of restraining action of an innocent person injured by mistake. Where one of two innocent parties must suffer loss, he who by his negligence has made it possible for the other person to lose, is the one more entitled to bear the loss than the innocent party who has done nothing to contribute to that loss, the court held. The bill was dismissed.

Commission of Crime and the Presumption of Death

The Iowa supreme court has upheld the lower court, which found for the beneficiary, in an interesting case involving presumption of death because of the disappearance of the assured. The case was *Rodskier vs. Northwestern Mutual Life*.

The assured left home Feb. 7, 1921, and was never seen since. His domestic situation was happy, he had been in poor health and he was short about \$10,000 in his accounts at the bank of which he was cashier. When he left he said he was going to Cleveland to look for work. He did not go there, but did go to New Orleans, sending letters from there. That was the last heard from him.

Presumption Not Conclusive

The supreme court held that the presumption of a person's death from long absence is not conclusive, but when it is shown to have continued for over seven years unaccompanied by circumstances which reasonably account for his disappearance on the theory not involving his death, the presumption becomes sufficiently strong to cast the burden of rebutting it upon the parties asserting the continuance of life. In order to warrant the finding of a presumptive death by an unexplained absence for seven years, it must be shown that nothing has been heard of the person during that period by those persons most likely to hear and that diligent inquiry on the part of the relatives and friends has proved unavailing.

The fact that the assured was a defaulter is not sufficient to overcome, as a matter of law, the presumption of his unexplained absence for over seven years if reasonable effort to learn his whereabouts were made. The term unexplained absence does not necessarily mean, if one of the reasons for the disappearance was the commission of a crime, that a presumption of death cannot arise by the absence for seven years.

Duty of Agent Made Issue

Question Arises as to Whether Commissions Should Be Allowed on Conversion of Policies

In *Beers vs. Penn Mutual*, the Michigan supreme court decides a question of commissions. Beers sued to recover commissions he claimed to have earned on the conversion of two term policies to ordinary life policies for G. P. Wilson of Kalamazoo. From a judgment for the company, the plaintiff appeals. Beers had been general agent for the Penn Mutual at Grand Rapids. He had been superseded there by General Agent Buckner. Wilson had taken the term policy with one Fleugel agent of the Penn Mutual at Kalamazoo. On Jan. 6, 1932, Fleugel wrote Wilson, who was then in Florida, regarding the conversion of the term policies which had lapsed March 23. Wilson got in touch with his representative, G. W. Tuck, at Kalamazoo. The letter, though addressed to the plaintiff as general agent at the defendant's address, was delivered to the plaintiff personally at his own address. Beers visited Tuck at Kalamazoo. He did not disclose that he had nothing to do with writing the original policies, was not the agent who procured them, was not the general agent, did not communicate with the general agent at Grand Rapids the contents of Tuck's letter; did not disclose to Tuck his change of address.

Questions Presented by Appeal

The questions presented by appeal are whether under the written contract the question of who initiated the conversion of the Wilson policies was controlling and was Beers guilty of interference with another agent of the company so as to violate his contract? The sole question involved is whether there was error of law in the charge of the trial court in submitting the case to the jury. The higher court holds that agency is primarily a relationship of trust and confidence and the duty of full disclosure is essential. The agent cannot act in his own interest, is forbidden to act at all, where his interest is opposed to that of his principal. Beers must have been the procuring

cause of the conversion of the Wilson policies.

The higher court holds that there is no error in the manner in which the trial court submitted the disputed questions to the jury, whose findings are conclusive upon the facts as submitted. The judgment is therefore affirmed and the company wins.

Incontestable Clause and Reinstatement Are Separate

NEWARK, N. J., Jan. 4.—An interesting decision involving the incontestable clause and the question of fraud in reinstatement has been given by the chancery court of New Jersey in *Frank Kaul vs. Acacia Mutual Life*, in which S. H. Hollander was counsel for the company. The policy in question lapsed Dec. 1, 1930, and Kaul signed a certificate to the effect that he was in good health in seeking reinstatement of the policy on Jan. 23, 1931. The evidence showed that Kaul was not in good health at all but was afflicted with a nervous disease which later rendered him totally disabled. In reviewing the law on the case the court held for the first time in New Jersey that the contestable clause of the original policy and the reinstatement contract are separate contracts. There is no limitation provision in the reinstatement contract as there is in the original policy so that misrepresentation in the reinstatement apparently is contestable without time limitation. The court did not actually rule on this point because the policyholder's claim for disability was contested before a year after his reinstatement had expired.

Presumption of Death

Although a presumption of death cannot be legally made within seven years of disappearance, where the evidence of a man's death is adduced, the insurer is liable under its policy. This was the decision of the Arkansas supreme court in a case against the Mutual Life of New York brought by Mrs. Jesse R. Wilcoxon. The evidence brought out that Wilcoxon, who lost everything in the depression, left his home in 1930, that he was unbalanced mentally and had bought poison at two drug stores.

Trust Agreement Is Exempted

The New York supreme court has upheld section 55a of the New York insurance law which gives an insured who reserves the right to receive cash and surrender values or disability benefits without the consent of the beneficiary under a trust agreement exemption from creditors. Mrs. C. E. Starr took out three policies with the Mutual Life of New York totaling \$100,000 payable to her children. In 1931 she changed the beneficiary to the Irving Trust Company under a trust agreement with her mother and children as ultimate beneficiaries.

Judgment Is Obtained

The 40 West 57th Street Realty Corporation obtained a judgment against Mr. and Mrs. Starr amounting to \$4,782. The realty corporation had a receiver appointed and also obtained an order restraining the insurance company from paying any of the cash values (over \$4,000) of the policies in question to the insured. When Mrs. Starr attempted to borrow on the security of the policies the company refused to lend the money. A motion was then made for an order vacating the restraining order served upon the insurance company and Justice

Cotillo of the New York supreme court held that although the debtor has a full control over the policies she is still entitled to the protection of Section 55a of the insurance law. The position of the debtor under the trust agreement is no different than her position before making the agreement, the court decided.

Hirst Views Decision

In discussing this decision, Alfred Hirst, counsel for the New York State Life Underwriters Association, said that Judge Woolsey, United States district court for southern New York, in his decision in matter of Canariato, held that the clause in the policy giving the insured the right to change option or secure cash value did not deprive the insured of the right to secure them under Section 55a of the insurance law. In *Lubin vs. Tenenbaum* in the city court of New York, Justice Noonan held that cash surrender values under policies payable to a trust company as trustee under a life insurance trust are not exempt. Mr. Hirst said this decision was unfortunate and that should it go to an appeal court a contrary conclusion would probably be reached.

Reserve Must Be Used to Keep Policy in Force

In *Timmerman et al. vs. Bankers Reserve Life*, the Texas court of appeals decides a case where the assured sought to recover on a policy on which a loan was made. The policy provided that if, after three years' premiums had been paid the policy shall lapse for non-payment of any premium, upon surrender in one month, the reserve shall be applied to the extension of policy for its face amount. If the insured has selected no other option, the company, without action on the part of the assured, continues it as a paid-up policy.

At the time of the assured's death the accrued reserve was sufficient to extend the policy for 11 years. The lower court presented this question to certify: "Was it the duty of the insurance company when the second note became due and was unpaid, to apply the \$61.06, representing the accrued value of the first five annuity benefit coupons, to the payment of said note so as to avoid a forfeiture of the policy in the absence of any instructions in this connection from the insured?" The assured had executed a note for the loan. At the time the premium note became due the assured had exercised the option to leave the annuity benefits accruing with the company to draw interest subject to his right of withdrawal. The company had funds belonging to the assured.

The higher court holds that a life company will not be permitted to insist that a policy has been forfeited for non-payment if at the time the premium becomes due it has in its possession dividends presently payable belonging to the assured which are sufficient to discharge the premium at its maturity. The question certified must be answered in the affirmative, the court holds.

Broad Interpretation of "Permanent" in Michigan

A definition of "permanent disability" favorable to policyholders has been given by Judge G. V. Weimer of the Kalamazoo county circuit court in *Loreen Hoard vs. Mutual Life*.

Judge Weimer holds that "permanent disability" does not necessarily mean "perpetual" or "everlasting" disability and that a company may not deny liability under this section of its contract merely because an improvement eventually appears in the insured's condition and disability ends.

Mrs. Hoard, ruled permanently disabled, collected benefits under terms of her policy for two years but the company finally stopped payments although evidence was offered that the disability continued for another year before the woman recovered her health. She brought suit for the amount alleged to be due in payment covering the third year. The company contested on the ground that her recovery proved she was not "permanently disabled" and there was no further liability indicated. A jury gave a verdict in favor of the plaintiff and the company moved for a judgment notwithstanding verdict. In denying the motion, Judge Weimer held that the term "permanent disability" as used in the contract must be construed as meaning "permanent" in the same sense as permanent alimony, permanent employment, or other "permanent" conditions frequently subjected to legal interpretation. The policy, he contended, contemplated that an insured's disability might be of long duration yet susceptible of a change for the better.



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